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CONTENTS FOR AUGUST

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THE LEAGUE'S BUSINESS

Taxed to the Limit.— Winter Park, Fla., is not the only city in the United States where taxes are high and expenditures low, but few, if any, others have been given what amounts to a certificate, by competent authority, that both have reached the limit and that the only recourse for creditors is a moratorium on principal payments and a scaling down of interest charges. While many other cities and counties in a similar fix have not hesitated to default on their obligations—some of them, no doubt, with good cause—it was left to Winter Park to ask the Municipal Consultant Service of the National Municipal League to look over the field and see for itself just how serious was its plight.

Professor Thomas H. Reed, one of the foremost experts on municipal government, conducted the survey. He reports that Winter Park has reduced its operating costs from $139,969 in 1927-28 to $50,568 in 1932-33, a drop of 64 per cent in five years. If any other cities can beat that record, let them speak up. The Mayor and four other City Commissioners are serving without pay. The City Clerk, "a very competent officer who also serves ex-officio as auditor and assessor," receives $1,600 a year for duties which are said to occupy not only the ordinary working day, but many evenings and holidays. A "capable young woman" receives $900 a year as tax collector. The Police Department consists of a chief at $100 a month and two night officers at $83.92, with a motorcycle patrolman added during the winter at $80.

Professor Reed cites these figures to show that Winter Park "has approximated the irreducible minimum in operating expenditures." It has a debt of $1,621,000—too large in proportion to its assessed valuation—upon which it is now in default both for principal and interest. Its property owners are paying taxes at the rate of 4.19 per cent on full value, as compared with a national average of only 2.6 per cent. They can hardly be expected to pay more. Winter Park is a high-grade residential community which can be expected ultimately to pay its debts, Professor Reed holds, but only if given time to do so. He recommends a reduction in the rate of interest for ten years to 3 per cent, with a moratorium on principal payments for a like period.—*New York Times,* Editorial, July 14, 1934.

* * *

Radio Program.—Subjects and speakers for coming broadcasts in the eighth series of "You and Your Government" programs, entitled "A New Deal in Local Government," are listed below:

August 14—"A New Charter for New York City." Professors Roy V. Peel and Paul Studenski, New York University.

August 21—"Higher Administrative Standards." Professor William Anderson, University of Minnesota.

August 28—"Housing and Slum Clearance." Ernest J. Bohn, President, and Charles S. Ascher, Director, National Association of Housing Officials.

September 4—"Reconstruction in a Metropolitan County." Russel Sprague, Chairman, Board of Supervisors, Nassau County, N. Y.

September 11—"County Home Rule." Professor George W. Spicer, Chairman, Virginia Commission on County Government.

September 18—"A Suburban New Deal." Carl H. Pforzheimer, Chairman, and Mrs. William H. Lough, Secretary, Westchester County, N. Y., Commission on Government; Dr. Luther Gulick, Director, Institute of Public Administration.

September 25—"A New Deal in Civic Education." Professor A. N. Holcombe, Harvard University.

HOWARD P. JONES, *Secretary*

Editorial Comment
August

NATIONAL MUNICIPAL REVIEW

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New York's Political Octoroon

THE cruise of the Kawa, celebrated satirically in a best seller a few years ago, revealed phenomena strange to science but not unfamiliar in American local politics. Like the well known Ship of State, the Kawa rode through some queer storms, one in particular caused by a typhoon, a monsoon and a simoon occurring simultaneously in the same spot. This was exciting but not conclusive, the chronicler explained, because he already had weathered an octoroon, "one of those eight-sided storms," and after such an experience nothing could faze him.

The incident clears up the meteorological turmoil now involving New York state politics. It is not a conflict of all the different gales there are that is soaking the party patriots, and throwing dust in the eyes of the citizens. It is an octoroon, a windy gyration with many sides, all centered on one irrepressible issue—reorganization of local government.

Tammany's trouble began two years ago with an embarrassing invasion of tin boxes owned by indignant braves, but the thunderstorm so started now resolves itself into determined effort for a charter revision, that will make votes in the Greater City applicable to the questions that are being voted on. Upstate a score of varying local issues all turn out to be different phases of the need for having county governments rebuilt for present day necessities. A Pay-Your-Taxes movement sweeps the state, and finds itself converted into a Get-Your-Taxes-Worth campaign. A Don't-Pay-Your-Taxes movement undergoes the same change. Citizens' councils, economy leagues, organizations for better government, for more government, for less government, all suddenly find themselves shoulder to shoulder in a common fight for giving government of any kind a chance to function reasonably in behalf of the governed. Even the milk supply question becomes one of better regional and rural supervision.

In the dust storms thus created the old line political leaders so far have devoted themselves to supplying the dust, and the results have not been to their liking. By obscuring the facts instead of acting on them, they have split the two major parties wide open on the issues of charter revision in New York City, and of county revision upstate. That these are only local aspects of the same question is shown by this summer's legislative perplexities. Governor Lehman called a special session to consider legislation permitting county reorganization in the City of New York.

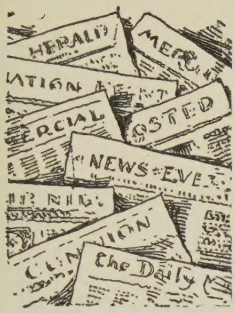
Promptly, upstate progressive leaders compelled him to add to this bitter summer menu, definite action on town and county reform—an item which the legislature spent the spring and winter dodging. It is already plain that whatever action the legislature takes will result in the secession of important wings of both parties to express their dissatisfaction, either independently or in coalition, at the polls this fall. This means a realignment in state politics on the single issue of reorganization, with one faction backing reform and the other standing on the status quo.

Invariably in our politics, situations of this kind come to express themselves in support of personalities rather than of issues. In this case the forces for reorganization are already trying to align themselves behind Judge Samuel Seabury, in New York City because of his outstanding championship in extirpating Tammany, and upstate because he was known there as a proponent of county reorganization long before the present turmoil. For the powerful and very respectable advocates of things as they are, no outstanding leader has appeared yet, although there are many stalwarts in both parties who are competent to carry this banner vigorously and with honor, for the issues are not one-sided by any means. The situation is further complicated by Judge Seabury's disinclination to run as a party candidate at all, though he has indicated his willingness to receive the indorsements of either or both parties, on a platform of his own making.

However important they are to New Yorkers, personalities are not germaine to the interest of the rest of the country in this important and picturesque struggle. In America's various forms of local government, New York long ago introduced some of the best and many of the worst elements. Now it stands to join Ohio, Virginia, and a few others in leading the way to modernity. Any man who successfully acquits himself in this leadership will have the coast-to-coast applause of all of his right thinking fellow-citizens.

Policemen and firemen in Denver, according to report, have voted to take four days off every month rather than have 377 policemen and a proportionate number of firemen discharged for economy. A natural and human attitude for them to take in behalf of their brethren in service, it nevertheless puts startlingly before the public the dilemma which this kind of "economy" is creating. Either Denver's service for protection was excessive before the reduction was proposed or it was not. If the former, the well-meant action of these men tends to perpetuate a state of things which is bearing very hard on other services that need money for efficient maintenance. Otherwise they are only further jeopardizing the public security threatened by the cut; for there is no evidence that Denver's criminals are going to oblige with a four-day monthly layoff in their activities, nor are the fire-bugs, or the people who throw lighted cigarettes in waste baskets. Taxpayers' associations and citizens' councils are learning the hard truth by experience, that the only true economy consists in adapting a city's service completely to its needs. Any other course is not economy. It is merely postponing the bill until it must be repaid with interest.

EDWARD M. BARROWS



HEADLINES

Boom times in legislative work caused twice as many state legislatures to meet in special session as met in regular session this year, according to the American Legislators' Association. The increasing technical character of government and the complexity of modern social problems are given as prime reasons. A third cause undoubtedly is the furor over county reorganization.

* * *

Disapproving the federal housing projects in that city, the Atlanta general council takes steps to create its own municipal housing authority, sidestepping any implication of starting another secession move, however, by basing the plan on coöperation with the federal government.

* * *

While jury reform is still in the conversational stage in other parts of the country, Oregon is actually submitting to a voters' referendum a proposal to end "jury-hanging" by permitting a legal verdict to be reached by ten out of twelve votes, except in first-degree murder cases. Another proposal is that, with the judge's consent, an accused person may waive trial by jury.

* * *

Georgia throws light on one of the darkest aspects of local economy by announcing the return to normalcy of street lighting in sixty-six towns and cities. This bright result was obtained by a state-wide campaign showing that while the relation of lighting costs to taxes was perceptible, the relation to taxes of crime and accidents due to insufficient lighting was even clearer.

* * *

New Jersey follows Alabama's lead with a state-wide organization of citizens' councils. Twenty-four local councils form the nucleus. Its sponsors expect to have it in effective running order in time to take part in state and local budget discussions next fall.

* * *

The business patriots who wail over the passing of the good old days of free competition while they "gang" municipal purchasing departments with collusive bids, may now have the alternative opportunity either to live up to their principles or to preserve silence—i.e., quit squawking. The NRA code provisions bearing on municipal contracts have been modified so that a fire hose manufacturer, for instance, may quote terms to cities as favorable as those made to commercial buyers for a like quantity. Pity that the tyrannical NRA cannot also arrange that municipalities may select public servants on the same merit basis as commercial houses. However, these onslaughts on American freedom must stop somewhere.

Add Brain Trust Menace! University of Washington Political Science Department offers trained research facilities for governmental problems in the tax supported institutions of that state, and also in problems involving international relations.

* * *

Propaganda for P. R. Saskatchewan, Canada, provincial elections resulted in a Liberal Party defeat which installed Liberal candidates on a landslide. The party polled 46.9 per cent of the vote and elected 90 per cent, or 49 out of 54 of the members of the provincial assembly. The Conservatives got 26 per cent of the vote but could not install a member, while the Farmer Laborites could install but five members, though they polled 24 per cent of the vote. The other 1 per cent was scattering. These queer results are recorded in the Calgary *United Farmer.*

* * *

Duval County, Florida (Jacksonville), commissioners vote to ask for a county civil service act in 1935. Tennessee Bar Association also records itself as favoring extension of state civil service laws next year.

* * *

Milwaukee announces the lowest death rate in its history, 8.2 per thousand. Incidentally this is the lowest present death rate of any American city of 500,000 or more.

* * *

English cities apparently are going in for recreation in a big way. According to the *Municipal Journal and Public Works Engineer,* London, the National Playing Fields Association announce that 620 schemes for the provision of publicly-owned playing fields have been financially assisted by £217,800.

* * *

In the matter of public baths also the Tight Little Island is stepping out. The new community baths of West Ham will have sun-ray and ultra-violet ray equipment, besides Turkish baths, vapor baths, a children's pool and an electric laundry. All this in addition to the customary provision of showers and tubs, and one of the largest swimming pools ever created in those parts. The cost is estimated at £147,477. Other local bath appropriations are Doncaster, £7,000; Mansfield, £17,000; Hertford, £9,600; Southend-on-Sea, £140,000.

* * *

"There is more than a job lost," says Ohio State University Engineering Experiment Station *News,* "when a trained highway engineer packs up his belongings and leaves his office for the last time because he belonged to the wrong political party."

* * *

The worm of song and story has nothing on the Schluter, Okla., voters for turning. Local legislators had failed to remedy a situation under which corporations could not attain compensation insurance for employees more than forty years old. So a mass meeting of the town's five hundred voters agreed to refuse support to any legislative candidate over forty at the next election.

* * *

National Committee on Municipal Accounting offers for public distribution a "Suggested Procedure for a Detailed Municipal Audit." The praiseworthy purpose is to assist in the better auditing of municipal books. All that is needed now is a brochure on how to get something to audit.

E. M. B.

Washington and the Cities: 1934

Depression binds federal and municipal governments in a new and closer relationship

PAUL V. BETTERS *Executive Director, American Municipal Association and United States Conference of Mayors*

WHEN the Editor of the REVIEW asked me to write a brief article regarding some of the 1934 federal-municipal developments, my mind went back to two years ago when it would have been very difficult to pen anything of current interest on that subject. The last half of 1932 and all of 1933 witnessed, however, a developing federal-municipal relationship. Practically every major act of the 1933 special session of Congress, for example, affected in some way or other the functioning of municipal government. As we review the work of the session of Congress just adjourned and the activities of the federal government during 1934, we see that more and more are the cities and the national government being brought together—not entirely in a legal union but certainly in a practical partnership. I shall try and sketch for 1934 some of the important matters falling in this category.

RELIEF

Federal leadership in relief continues, and since a major share of the relief load is centered in urban communities this activity of the United States government commands the interest of all municipal officials. As we look back on the past two years we wonder what would have happened (both to the country and to the people on relief) had not the federal government stepped in with its resources.

The highlight of the past few months was the civil works program—a program which to my mind represented the greatest job of public management ever undertaken by any nation. It came when something was needed to bolster the morale of the people and there are many who believe that if it had been continued, even on a modified basis, we could have been much further along the road of economic recovery than we are today.

CWA left behind in practically every community social facilities in the way of playgrounds, school additions, swimming pools, streets, sewer and water improvements, and repaired public buildings which will last for years.

Aside from the CWA, which terminated in urban areas around April 1, cities are interested in the permanent aid which the government has provided to meet the continuing relief needs. In February, it will be recalled, Congress appropriated $950,000,000 to carry on CWA for a short period and to provide for relief. At the end of June not much was left of this amount. The deficiency bill enacted in late June carries at least $600,000,000 for FERA until January 1. We are therefore assured that federal funds will be

available in *much the same proportion* as they have been during the past three months.

Because there is no uniformity in the treatment by the federal government of the states on the financial side, we find a varying problem as between cities in the forty-eight states. For example, during the first quarter of 1934:

1. In Alabama, Arkansas, Florida, Kentucky, Louisiana, Mississippi, Nevada, New Mexico, North Carolina, North Dakota, Oregon, Rhode Island, South Carolina, South Dakota, Tennessee, Virginia, West Virginia, and Wyoming practically all of the costs (all in Louisiana, Arkansas, and South Carolina) were paid out of *federal funds.*

2. In Illinois, New Hampshire, New Jersey, Pennsylvania, Texas, and Washington the state government is helping the cities to the extent of paying over *50 per cent* of relief costs.

3. In Connecticut, Kansas, Maine, Massachusetts, Ohio, and Vermont the cities (or counties) are still being forced to bear the major burden. Massachusetts is the only state in the United States where cities were forced to bear almost the *complete financial burden.*

Cities in Massachusetts thus bear a relief burden totally different from the burden of Chicago, the Tennessee cities, and many others. If the depression continues in its present severity it is the writer's opinion that *all of the costs* in all of the local governments must shortly be shifted to the state and federal governments. The general property tax which still constitutes the major source of revenue for the municipal governments is having and will have a difficult enough chore to provide for the normal range of essential municipal revenues.

Some of the things on the liability side of the present relief program are:

1. The failure of the federal authorities to do any long-time planning which would enable the cities and the states to know what the future is to bring.

2. The forcing by the federal government, or at least acquiescence of the federal authorities in letting the states force cities and counties to issue bonds for relief purposes. So long as the federal and state authorities demand that cities and counties violate a fundamental principle of public finance (that current needs be met by current income) we shall have major financial troubles.

3. The trend toward bureaucratic control from Washington on details which might better be handled by local authorities provided they are competent.

4. The slowness in taking steps to fit in relief administration with the regular machinery of municipal government.

As the relief problem settles down, I feel that these problems will be solved because the FERA appreciates that they exist.

PUBLIC WORKS

It now appears that considerably less than one billion out of the three billion, three hundred million dollars made available last year to PWA in the National Industrial Recovery Act will have been used for non-federal (state and local) projects. Most of the funds went to federal projects.

In the light of present circumstances, it is interesting to review the action of the 73rd Congress with regard to public works. My own conclusion regarding the action of Congress in passing the deficiency bill is that public works has definitely been abandoned as a *major* arm of economic recovery by the administration. This conclusion is based on the facts that: (1) under the spur of federal promotional work there are today at Washington around three billions worth of non-federal applications, and (2) only five hundred millions have been allotted by the President out of

the Deficiency Act to provide for these applications.

Many communities having applications at Washington will be unable to secure loan and grant approvals unless they can sell their bonds through the usual private channels and take a grant only from the government.

In addition to the five hundred millions placed to the credit of PWA for public works, the deficiency bill authorized the RFC to use up to two hundred and fifty millions in buying from the PWA securities received on loan transactions. Proceeds from these sales can be used by PWA as a revolving fund. This amount, however, looks small even when added to the five hundred millions in the face of three billions of applications now pending and many more projects that could be presented at this time.

The PWA outlook from the cities' viewpoint is not, therefore, a happy one in all respects.

LOCAL PLANNING

CWA really did something in the field of city planning. No one yet has catalogued all of the planning studies carried on in hundreds of municipalities under CWA. But this work emphasized to municipal officials the value and necessity of planning for community development and for administration of many activities of municipal government.

Little of this work, except in limited fields such as traffic, is now being carried on under the FERA program, yet the state planning boards created in most of the states with PWA assistance are gathering data which will be of real value to municipalities. Our problem will be to keep these planning boards functioning after withdrawal of federal assistance.

MUNICIPAL DEBT READJUSTMENT ACT

Previous articles in the REVIEW have touched on the passage by Congress of the Municipal Debt Readjustment Act so that any extended comment in this brief sketch of federal municipal matters is unnecessary. The bill passed the Senate by a wide margin in May of this year after a rather close vote in the House in June of 1933.

Perhaps just one thing regarding this act should be pointed out which should be of interest to all officials and those interested in municipal government. A "bankruptcy" act for cities did *not* overnight destroy the credit of all cities throughout the United States. To look back now at the arguments advanced by such organizations as the United States Chamber of Commerce and the American Bar Association in opposition to the bill when it was being considered shows how poor they were in prediction. As a matter of fact, shortly after the act was passed, general municipal credit was in a healthier condition than at any time since 1931. Far from adversely affecting the credit of solvent communities, it had just the opposite effect.

MUNICIPAL FINANCE: GENERAL

Although efforts were made at this session of Congress to secure the extension of short-term credit, either through the RFC or the Treasury Department, to municipalities, legislation on this subject was defeated in both the Senate and the House. When the two "loans to industries" bills were being considered, Senator Walsh and Congressmen Kenney and Weideman unsuccessfully endeavored to secure amendments to carry out this program. The main reason why nothing was done was no doubt due to the failure of the administration to press the matter, this in spite of the fact that the Treasury Department had Dr. S. E. Leland of the University of Chicago carry on a study extending over a period of three months, which meant that the government had all the facts.

This legislation will again be presented at the next session of Congress.

HOME OWNERS' LOAN CORPORATION

One reason why some communities are today reporting better collections of delinquent taxes is the fact that during the past few months the operation of the Home Owners' Loan Corporation has resulted in millions being paid in back taxes to our various governmental units. As of May 26, the corporation reported that forty-four millions had been turned over to the treasuries of our city, village, town, county, and state governments. In large metropolitan centers such as New York and Newark this has meant a great deal.

The beneficial impact of this law upon municipal government has been much more forceful than was anticipated by many persons.

NRA CODES

The experience of cities under NRA codes during the past six months has not been a happy one. Not only have prices for materials, supplies, and equipment commonly purchased by governmental units increased on an average close to 25 per cent,[1] but other discriminations against public purchasing have been permitted. These discriminations include: (1) elimination of usual discounts, (2) forcing municipalities to pay retail prices even though they are volume buyers, and (3) forcing specifications upon cities in conflict with municipal specifications. Collusive bidding which makes a farce of competitive award of bids required by law has been a common occurrence, and much of this collusion is traceable directly or indirectly to NRA codes.

After protests extending over a few months' period, the municipalities have finally secured an order (on June 13) which does provide some relief. This order states:

> Members of industry, subject to codes of fair competition, who bid on contracts to be awarded by the above-named governmental agencies are exempted from compliance with any code provisions governing the making of quotations to governmental agencies which prohibit any of the following practices, and notwithstanding code prohibitions, bidders may:
>
> (a) Quote prices and terms of sale to governmental agencies as favorable as those permitted to be quoted to any commercial buyer for like quantities.
>
> (b) Quote definite prices or terms of sale, not subject to adjustment resulting in increased costs during the life of the contract, for definite quantities and for definite periods not to exceed three months (unless a longer period is now permitted by any such code).
>
> (c) The same as "(b)" for indefinite quantities for six months, or longer.
>
> (d) Quote prices and terms to apply on contracts to become effective not more than 60 days from the date of the opening of bids.
>
> (e) Quote prices F.O.B. point of origin and/or F.O.B. destination.

Because public purchasing differs materially from private purchasing, the only solution which will handle the situation is the complete exemption of public authorities from all codes. This exemption would apply to the federal, state, and local governments.

SPECIAL NRA CODES FOR MUNICIPAL UTILITIES

Up to the present no utility industry codes have been promulgated affecting municipal utilities. The first electrical utility industry code presented to the NRA by the Edison Electric Institute carried some vicious provisions which were soon done away with and the President has refused to sign an amended code which refers in a minor way to public plants. Neither the pro-

[1] The author estimated in early June that the codes have cost the three hundred largest American cities about $140,000,000 this year on the basis of prices paid as compared to 1933 prices.

posed water industry code nor the proposed gas code have progressed very far at this writing, nor have efforts by certain national organizations to have *special* codes for municipal light plants and municipal water plants had much support. Municipal officials are pretty generally opposed to any rigid control and will oppose in no uncertain manner any future efforts in this direction whether by industry or the government itself.

THE JOHNSON BILL

With regard to the problem of utility regulation, municipalities are deeply interested, of course, in the passage of the so-called "Johnson bill."[2] This measure, which had been before Congress for over two years, restricts private utilities from taking rate cases into the federal district courts. It is aimed at preventing delays in utility litigation,[3] and it gives state regulatory bodies a much more effective place in the sphere of regulation. The old procedure, under which private utilities got rate cases transferred to the federal courts where masters were appointed and all of the previous evidence was discarded, now gives way to a procedure believed to be equitable and speedy. Because the law itself is so brief, it is worth while to quote it herewith:

> Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first paragraph of section 24 of the Judicial Code, as amended, is amended by adding at the end thereof the following: "Notwithstanding the foregoing provisions of this paragraph, no district court shall have jurisdiction of any suit to enjoin, suspend, or restrain the enforcement, operation, or execution of any order of an administrative board or commission of a state, *or any rate-making body of any political subdivision thereof,* or to enjoin, suspend, or restrain any action in compliance with any such order, where jurisdiction is based solely upon the ground of diversity of citizenship, or the repugnance of such order to the Constitution of the United States where such order (1) affects rates chargeable by a public utility, (2) does not interfere with interstate commerce, and (3) has been made after reasonable notice and hearing, and where a plain, speedy, and efficient remedy may be had at law or in equity in the courts of such state."
>
> Sec. 2. The provisions of this Act shall not affect suits commenced in the district courts, either originally or by removal, prior to its passage; and all such suits shall be continued, proceedings therein had, appeals therein taken, and judgments therein rendered, in the same manner and with the same effect as if this Act had not been passed.

When the bill passed the Senate the italicized portions were not included. In the House it was possible to secure an amendment on behalf of municipalities in states where state regulatory agencies do not exist. This gave similar rights to municipal corporations charged with utility regulatory authority as was extended in the Senate bill to state administrative boards or commissions.

The bill was opposed, of course, by private utilities and their organizations, by the American Bar Association, and by other groups. Its chief support came from the state public service commissions whose powers under the old procedure were adversely affected through endless delays in the federal district courts.

MISCELLANEOUS

A hundred and one miscellaneous contacts between Uncle Sam and municipal governments developed during 1934. Even to list them would take

(Continued on Page 423)

[2]Named after Senator Johnson of California.

[3]An example of which is found in the Illinois case, where the United States Supreme Court recently ordered the Illinois Bell Telephone to refund $30,000,000 to subscribers. The original order in this case was issued eleven years ago by the Illinois Commerce Commission.

Georgia Cuts State Government Costs

A million dollars saved annually through reorganization

CULLEN B. GOSNELL *Director, Institute of Citizenship, Emory University*

NEVER until the present period of depression has there been such a widespread demand on the part of the public for reduction in the cost of government. During the depression this demand has gained momentum. Too often reductions in government costs are at the expense of efficiency, but this is not the case in Georgia where state government costs have been cut by over a million dollars annually. This has been made possible by the Reorganization Act of 1931 and subsequent supplementary acts.

The reorganization movement began during Governor Hugh Dorsey's administration in 1919, but nothing was accomplished at that time. While Governor Thomas Hardwick was at the head of the state's affairs a survey was authorized and made by Griffenhagen & Associates. Hardwick urged the legislature to take action on the Griffenhagen report, saying that the state of Georgia was "board ridden and trustee ridden". In spite of his entreaties nothing was done at the time.

Lamartine G. Hardman came out during his campaign for governor in 1926 for reorganization and he was elected over John N. Holder in the runoff primary of that year. True to his promise, Hardman called upon the legislature in 1927 to effect the reorganization of the state government. A committee of the legislature was named to take up the matter, but it got nowhere.

State Auditor Slate recommended a rather sweeping reorganization plan in 1928. His plan called for a rather extensive application of the short ballot whereby all department heads except auditor would be appointed by the governor with the consent of the senate. The Slate plan provided for a reduction of the state's 102 departments, boards, and commissions to twelve in addition to the governor's office. Slate pointed out that there were some twenty-five colleges and schools in the University of Georgia system and that there were 321 trustees of the entire system. All of these trustees were appointed by the governor and each institution had its own separate and independent board.

Governor Hardman again urged reorganization during his successful campaign for re-election in 1928. In the spring of 1929 he appointed a commission on simplification and reorganization of the state government. This group was headed by Ivan Allen, a prominent business man of Atlanta, and its membership included several outstanding members of the legislature and a number of citizens at large.

The reorganization commission began its work at the state capitol on April 19, 1929, and completed its task by the middle of June of that year. The plan as adopted called for the consolidation of over one hundred departments,

boards, offices, and commissions into fourteen departments and agencies. A large number of department heads were to be appointive, so there was to be a mild application of the short ballot. One of the most difficult tasks of the commission was to get a bill drafted embodying the principles and details of the Allen plan; this was ably taken care of by Philip Weltner and his committee of young Atlanta lawyers. At length the whole plan with its accompanying bill was ready and was duly presented to the governor. Shortly thereafter Governor Hardman submitted the recommendations to the legislature.

Although the Allen plan did not pass both houses of the legislature in 1929, it gained considerable publicity and attention. It passed the senate, but it failed in the house by a small majority.

Governor Hardman made one more effort to bring about reorganization before he relinquished his office. In 1930 the Georgia Tax Association put several thousand dollars at his disposal with which to have a survey of the state government made. This work was done by Searle, Miller & Company. Their plan embraced a great many of the recommendations of the Allen plan of 1929. The Searle-Miller report was printed and given widespread distribution. Governor Hardman called a special session of the legislature in January 1931, and it was his intention that this report should be dealt with at that time, but nothing came of it.

Meanwhile Richard B. Russell, Jr., ran for governor in 1930 with reorganization as the chief plank in his platform. He was elected over a field of five candidates. Mr. Russell succeeded in getting the state Democratic convention to adopt his reorganization plank in the fall of 1930 and he, as speaker of the house of representatives, appointed a committee of that body to make a study of the subject in the spring of 1931. This had been authorized by the legislature at its special session. This committee was headed by Gus Huddleston. The Huddleston committee met at the state capitol in the spring of 1931 and held a number of public hearings. Finally they made a report which was adopted almost *in toto* by the legislature at its regular session in the summer of 1931. Governor Russell was very popular with the members of the legislature and he showed that he possessed the qualities of a real leader in getting this measure through.

LEGISLATION SECURED

The Reorganization Act of 1931 contains a number of important provisions. As it passed the legislature, it provided for eighteen departments, boards, and commissions. Its most radical features were the abolition of some twenty-five boards of trustees of the University of Georgia containing 321 members and the transfer of their functions to a board of regents composed of eleven members, the organization of a department of law with an addition of five assistant attorneys-general and consolidation of all legal functions of the state in this department, the elimination of all examining boards and concentration of their functions in the secretary of state's office under a secretary, the centralization of all state tax administration under a tax commission of three members, abolition or transfer of all agencies for charitable, correctional, and eleemosynary institutions to a board of control made up of eleven members, and centralization of purchasing power under one purchasing agent.

Two important follow-up acts were passed by the legislature at its session early last year. One of these acts gave the board of regents of the University of Georgia power to consolidate, eliminate, and abolish institutions in the university system. It also authorized the board to consolidate overlapping departments of the various institutions wherever they saw fit. The other act enables the board to ask the legislature for a lump sum of money for all institutions

in the system and to apportion it to each one as it sees fit, i.e., a unified budget is provided for.

A MILLION SAVED!

Now let us see wherein the state is saving $1,000,000 annually under these acts. In the first place, it is estimated that the newly created law department saves over $80,000 a year. Formerly departments and agencies of the state were free to employ outside legal counsel and this was costing the state $125,000 annually. Under the Reorganization Act no outside counsel can be employed; it is, however, necessary to have five additional assistant attorneys-general in order to take care of the extra legal work and this added to the expense of the department by some $30,000. It is said that administration of the license tag tax under the revenue commission has been cut down by $125,000. (This was formerly handled by the secretary of state.) The board of control claims that it has reduced the expenses of institutions under it by $400,000.

The best job, undoubtedly, has been done by the board of regents of the University of Georgia. Governor Russell was exceedingly fortunate in his choice of men for this board. He picked men in whom everybody had confidence and these men proceeded to do a good job. This board took the "bull by the horns" and proceeded to act as if the legislature had given it authority to control the budget of all institutions and treat all budgets as one. They made a great many savings in 1931 and 1932 in this way. They were rather timid at times, however, and were not entirely sure of their ground. In 1933 the board asked the legislature to pass two acts which would give them the much needed authority, and details of these measures have already been recounted above.

The savings brought about by the consolidation of the educational institutions have been large. It is estimated that the board of regents has already cut operating costs by more than $400,000 annually. Acting under their new authority, the board has cut out several schools and colleges. This was a splendid piece of work and was badly needed. Heretofore the state had some twenty-five colleges and schools each of which was armed with a powerful lobby. Every year that the legislature would meet, the head of "Squeedunk College" would park at the state capitol and request a large appropriation for his institution and the legislature would oblige, for each region or congressional district had its school or college and legislators would log-roll with each other to get appropriations. At one fell swoop, the board of regents abolished all of the a. and m. schools of the state. The appropriations under the old system even as late as 1931 amounted to over $2,000,000 annually for all state schools, whereas they have now been reduced to $1,500,000.

A good job of consolidation has also been accomplished by the board of regents. In the spring of 1933 they consolidated the school of commerce at the Georgia School of Technology with a similar department at the University of Georgia at Athens. The school of engineering at Athens was consolidated with the same school at Tech. These moves were highly desirable and will, no doubt, save money. The Georgia State Agricultural College and the Georgia State Teachers' College were made integral parts of the University of Georgia proper; each of these institutions is to be headed by a dean in the future instead of a president.

What has already been done is fine, but it appears to be only a beginning. There is plenty of room for improvement, for this state has been school and college ridden. Eventually the state will very likely have a few creditable institutions of higher learning instead of two or three one-horse colleges in every congressional district.

THE BUDGET ACT

The Budget Act of 1931 might be

considered a part of the reorganization scheme. This act has been well worth while. It provides that a budget shall be prepared by the director and assistant director of the budget and this shall be submitted to the legislature at its regular biennial session. The governor is the director and the state auditor is assistant director of the budget. This budgetary reform was improved upon by the legislature at its regular session in 1931 when power was given to the governor to reduce expenditures if at any time the income were insufficient to meet the outgo. This act came about as the result of a rather unhappy experience the state had between 1927 and 1931. The legislatures of 1927 and 1929 had appropriated more money than the revenue came to in that period, so that the public indebtedness resulting therefrom had reached the astounding sum of $8,000,000 by 1931 and the governor was helpless to prevent it. Under the new act, a recurrence of this situation is impossible. When expenditures exceeded income in 1932, Governor Russell acted promptly and cut down all departments 14 per cent, bringing the budget into balance.

Thus Georgia today is saving more than $1,000,000 annually, thanks to the Reorganization Act of 1931 and subsequent supplementary acts together with the budgetary acts of 1931. When the fact that the total budget for the state today is only about $10,000,000 is considered, this is a large saving. (The cost of the highway department is not included here as it has allocated funds and does not operate under the general budget.) This reduction of state government costs in Georgia is all the more laudable since it does not impair efficiency; as a matter of fact, the reorganization acts have done much to greatly improve efficiency.

WASHINGTON AND THE CITIES

(Continued from Page 419)

up much more space than is available. Illustrations of these are the following:

1. The withdrawal of bank stock purchased by the RFC from local assessment and taxation (without any thought by the federal government as to the effect on city revenues)
2. The study of electrical rates survey to be carried on by the Federal Power Commission
3. The studies of tax delinquency, inventory of housing, et cetera, being carried on by the Bureau of the Census, and originally initiated under the CWA program.

SUMMARY

As the depression continues we find our federal and municipal governments bound closer and closer together. Some look upon this partnership with misgivings while others view it with hearty approval. Many of our larger metropolitan units hope that permanent relationships may be established because they are thoroughly disgusted with both the inability and incompetence of the states to meet emergency conditions and problems.

As time goes on we may expect also a more informed attack on the common problems facing all levels of government on the part of the federal authorities. Too often in the past have policies been determined without adequate knowledge of local governmental procedures. However, the federal government learns readily and the example of the FERA last November in calling about four hundred municipal officials to Washington to confer with them on CWA is an indication of a new approach. If the legislative branch of the national government were as willing to consider factual information on municipal administration as the departments and emergency agencies are, we would have a much better partnership.

Overhauling State Revenue Systems

Numerous reforms suggested for tax revision

MABEL L. WALKER — *Executive Secretary, Tax Policy League*[1]

TAXATION is usually considered a highly controversial subject. There is much more agreement concerning general principles among the tax experts, however, than is recognized by the layman. The lively atmosphere of controversy is liberally supplied by various business groups whose special interests are directly affected by particular tax policies. Most of these groups are equipped with well financed agencies of propaganda for disseminating tax doctrines that will be advantageous from their points of view.

Conspicuous among the more prominent of these groups in recent tax controversies are real estate interests, automotive industries, large income tax payers, utilities, and retail interests. It is probable that the liquor interests will soon figure prominently among the tax propagandists. Rational defense of their interests on the part of these groups is justifiable, but the average citizen in adopting an attitude toward tax policies would do well to be somewhat wary of sources of special pleading, and to consider the larger question of the relation of a particular tax to the general welfare.

There is, of course, a healthy difference of opinion concerning several tax questions among the economists who have specialized in public finance, but there is also an unmistakable consensus of opinion on many general tax principles. In this article there will be a brief discussion of some of the more important recommendations that are being advanced in the field of taxation.

ABOLITION OF TAX LIMITS AND UNIFORMITY CLAUSES

Both tax limits and uniformity clauses are the results of popular clamor rather than of expert opinion. The fact that they have been embedded in state constitutions makes them more undesirable because harder to abolish. Elimination of such constitutional provisions is a preliminary step to sound finance in our state governments.

Seven states have constitutional tax limits and the National Association of Real Estate Boards is conducting a vigorous campaign for the adoption of such limits in all of the states.

Some of the defects of these laws are that they cripple a city's revenue system causing it to curtail necessary government operations; they encourage resort to borrowing, defaulting and juggling of assessment values; they force the adoption of new and hastily devised taxes, some of which are most undesirable; and they weaken local initiative in budget making.

The tax limit movement in its present form is a new and rapidly developing phenomenon. In a recent symposium

[1]Formerly General Welfare Tax League.

on the subject conducted by the Public Administration Clearing House, tax limits were wholeheartedly denounced by almost every one of the twenty-four authorities consulted.

Unlike the tax limits the uniformity clauses represent an objectionable hangover from the past rather than a recent development. Constitutions adopted during the last half of the nineteenth century bristle with these provisions which in typical form run somewhat as follows: "All taxation shall be equal and uniform." No constitutional provisions requiring taxation under the uniform rule have been adopted since the beginning of this century and a number of states have repealed or modified such clauses. Forty-two states still have some variant of the uniformity clause, however, although it exists in a mild form in many.

The uniformity clause appeals to the layman as a guaranty of justice in taxation and he is loath to relinquish it. In actual practice it proves to be quite the reverse, since, as interpreted by many courts, it makes impossible the adoption of graduated taxes on net income and the reform of the general property tax. The uniformity clause has lost favor with serious students of public finance and should be repealed as speedily as possible.

REJECTION OF GENERAL SALES TAX

The general sales tax is likewise usually considered undesirable by this group. As nations progress in democratic ideals they have a tendency to break away from indirect taxation and to rely more heavily upon direct levies.

The post-war depression caused a backward step in this respect in several European countries, although the tax has been courageously avoided in Great Britain which has the heaviest tax burden of all. When the exigencies of the depression gripped the state legislatures of this country many of them envisaged the sales tax as the easiest way out and it has spread rapidly throughout the country.

The general sales tax is exceedingly difficult to administer, it favors some business enterprises at the expense of others, it drives business across state lines, and it falls much more heavily upon the lower income groups than upon those more favorably situated. "The sales tax as an emergency form of revenue, and certainly as a permanent part of any state's tax system, marks an unnecessary and backward step in taxation," is the conclusion arrived at in the recently published exhaustive study of "The Sales Tax in the American States," made by Columbia University economists under the direction of Professors Robert Murray Haig and Carl Shoup.

INCREASED RELIANCE UPON INCOME AND INHERITANCE TAXES

The preceding recommendations have been negative in type indicating legislation that should be repealed if already in force or avoided if being proposed.

A well balanced tax revision program must include positive as well as negative measures. Adoption of graduated income and inheritance taxes has the widespread approval of tax students. In our present economy incomes and inheritances constitute the best index of taxpaying ability. Inheritance taxes are now levied in all of the states except Nevada, but the rates could be increased and the exemptions lowered in most instances.

A scientifically drafted and efficiently administered levy on net incomes is one of the most defensible forms of taxation which we employ. A tax upon net income is based upon taxpaying ability, it is not shifted, it does not disrupt business, and it is administratively workable.

The income tax may and should be applied to corporations as well as to

individuals. It is important to keep in mind, however, that such a tax should be on net, rather than on gross, income. A tax based upon gross income does not reflect taxpaying ability and when applied to business units it partakes more of the characteristics of a general sales tax than of a tax upon net income.

Personal income taxes should allow personal exemptions and allowances for dependents and should be applied at a graduated scale. That is, persons with larger incomes should pay a higher rate of tax than those in the low income brackets. The amount of exemption allowed and the scale of graduation have a decided effect upon the yield.

Deductions for single persons range from $500 in North Dakota to $1,500 in Alabama, Arkansas and Georgia, and for married persons from $1,500 in Idaho, Kansas, Mississippi, New Mexico, North Dakota and Oregon to $3,500 in Georgia.

The size of the steps by which the rates are graduated is extremely important. In most of the states the rates increase by one per cent for every $1,000, $2,000 or $3,000 of additional income, but New York State has the highly farcical procedure of permitting one of the steps to amount to a $40,000 increase of income before the rate is increased. This state has the dubious distinction of having the most mildly graduated income tax in the country.

REFORM OF PROPERTY TAXATION

The large subject of property taxation is one that presses hard upon all local governments. A hundred years ago it was usually considered in this country that ownership of property constituted the best test of ability. The general property tax became the bulwark of our state and local tax systems. This term is the common designation of the tax upon land, buildings and personal property when it is all apportioned and levied by substantially the same methods. In spite of the fact that tax commissions have denounced this levy for more than half a century, it still persists and forms a major source of local revenue. It proves difficult to abolish because it appeals to the popular mind as a fair and equitable tax falling upon all property alike, whereas in actual practice it proves to be most unfair and inequitable.

When real estate, tangible personal property, such as household goods and jewelry, and intangible property, such as stocks and bonds, are all assessed and taxed at the same rate, it soon becomes apparent that the less visible forms of property which can be readily concealed tend to disappear from the tax rolls and real estate has to bear the major part of the burden.

Several states have attempted to meet this difficulty by means of a classified property tax. Different types of property are taxed at different rates and intangibles are taxed at a much lower rate than real estate. The theory back of such legislation is that the lower rate on intangibles will coax them out of hiding. To a certain extent this has taken place, and much property has been returned to the assessment rolls. Apparently, the taxpayer's honesty varies inversely somewhat in proportion to the rate of his tax. Another alternative is to drop the attempt to tax personal property altogether and to seek to get at the ability represented by this wealth through income taxes rather than through property taxes. This seems to be a desirable goal.

Many authorities on city planning and better land utilization believe that the present property tax stands in the way of these achievements, and that not only personal property but also buildings and other improvements should be exempted leaving the property tax to fall upon land only. It is believed that the exemption of improvements would

stimulate construction, and that the resultant heavier tax upon land would discourage anti-social land speculation. Such a step seems to be in line with the gradual breakdown of the old general property tax. A land taxing program should be preceded, however, by the adoption of personal and corporate state income taxes in order that much taxpaying ability should not escape its obligation to the state.

Assessments and collection procedure are decidedly weak spots in our present property tax administration. Improvement in both of these processes is imperative. Administrative units should be larger in many cases and there should be only one governmental unit assessing and collecting in a given area. Assessments should be at full valuation and in rapidly developing urban sections should be carried out annually. Trained officials should be appointed under civil service regulations. Tax collection should be put on a businesslike basis. Taxpayers should be billed regularly and a scheme of instalment payment dates (possibly quarterly) should be provided. Regularity and certainty in administering tax collection laws would prove a boon to taxpayers as well as to the treasury. The fee system of collection should be abolished.

COÖRDINATION OF REVENUES

It seems inevitable that constructive tax legislation of the future must take into consideration the inter-related character of federal, state and local tax problems. One governmental unit can no longer afford to work out its own tax scheme regardless of that adopted by its neighbor of higher or lower units in the governmental hierarchy.

The older ideal was that of strict separation of sources, leaving certain taxes to the federal government and others to the state and local governments.

There are many objections to such a plan. It would leave the way open for cutthroat competition among the states. This would prove particularly unfortunate in the case of inheritance, corporation, liquor, gasoline and other sales taxes. Moreover, the needs of certain types of government may increase at a faster rate than others and if the governments are restricted to relatively inelastic sources of income, some may suffer serious difficulties while others are in easy circumstances. This has been markedly true in recent years of municipalities which are compelled to rely upon real estate for the bulk of their revenues. Finally, there are few taxes which can be successfully administered by the smaller units of government.

What is apparently a much sounder solution of the difficulty is advocated by some leading students of taxation who believe that it may be desirable to work out some plan of coördinating revenues whereby certain taxes will be centrally collected and re-allocated to state and local governments, or some device such as the federal inheritance tax provision may be used to harmonize taxing procedure throughout the states. This provision allows a credit upon the federal estate tax of the amount paid on any state inheritance tax up to eighty per cent of the federal tax. This nullified the advantages of those states which had been advertising themselves as a haven for tax dodgers.

In the case of many levies the tax collecting procedure can be very much simplified if carried out by the federal government. The problem of bootlegged gasoline which is creating so much difficulty for some states would also disappear and it would no longer be necessary, as at present, to maintain border police at state lines to prevent gas tax evasion.

The problem is even more critical in connection with liquor taxation. The Interstate Commission on Conflicting Taxation of the American Legislators' Association advocates a coördinated program of federal and state liquor taxa-

tion, under which volume taxes, or so-called gallonage taxes, whether direct or indirect, would be imposed by the federal government only. One-half of the combined gross revenue from the liquor traffic, derived by the federal and state governments from all sources, would go to the federal government and the remaining half to the wet states and their localities. Considerable sentiment of a similar nature was expressed at the recent joint hearings on liquor taxation before the House Ways and Means Committee and the Senate Finance Committee.

The corporate income tax is another levy which can be administered within state lines only with very great difficulty.

LOCAL REORGANIZATION

A thorough revamping of antiquated local governmental structure with reallocation of many governmental functions is a problem which has received particular attention from the commissions of tax experts appointed in a number of states during the last few years. According to recent census figures there are 182,660 political units in the United States. There are, in addition to the federal and state governments, 3,062 counties, 16,659 cities, towns, villages and boroughs, 19,769 townships, 128,548 school districts, and 14,752 other civil divisions.

It is probably not too sweeping to assert that most of the townships and many of the civil divisions could be eliminated, and that the number of counties and school districts could be reduced very materially without any hardship to the country. Official reports tell of school districts having only one child of school age. In many of our states townships have never existed—and apparently have never been missed.

Many local governmental units should be abolished and many others consolidated. In addition, several functions now being badly performed by small units should be administered by larger governmental units. Such reorganization naturally bears a vital relation to the problem of raising and allocating governmental revenues.

SHARING STATE TAXES

It becomes more and more evident that inasmuch as few taxes can be successfully administered by local units and as local expenditures are likely to become steadily greater, the cities and counties must look to the state governments for financial aid.

This aid can come in any one or a combination of three ways: direct financial grants, taking over local functions, or sharing state collected taxes. The practice of sharing state taxes with local governments has become of increasing importance in recent years. The principal taxes which some of the states are sharing are personal and corporate income taxes, inheritance taxes, motor vehicle and gasoline taxes, general sales taxes, and liquor revenues. Very minor portions of some of these taxes are shared.

CONCLUSION

Taxation has an inescapably major rôle to play in the modern state. Whether we like to admit it or not, civilization, as a result of scientific discoveries, has developed to such a complex point that the individual is less than ever sufficient unto himself. There is a growing demand which must and ought to be met for community facilities for education, health, recreation and business enterprise. These facilities can be financed only through taxation. The financial burdens and benefits of the present and of the future demand the intelligent consideration of the entire electorate in improving and coördinating our national, state and local revenue systems.

Editor's Note.—This is the second of two articles on the tax situation by Dr. Walker. The first, "The States' Search for Money," appeared in last month's issue of the Review.

Missouri Reorganizes Its Administrative Structure

State-wide campaign for economy results in the passage of laws which permit more effective direction and control of administration

LLOYD M. SHORT *University of Missouri*

In a previous article in this Review on "The Missouri State Survey Commission" it was suggested that future commissions and legislatures would need to conduct inquiries and enact laws to insure greater efficiency and economy in the expenditure of state funds if the tax increases recommended by the survey commission and voted by the general assembly in 1931 were not to be in vain.[1] The business depression, the plight of agriculture, and the resultant rapid decline in public revenues gave further emphasis during 1931-32 to the need for economy. The Missouri Farmers' Association sponsored and financed a bipartisan Committee on Taxation and Governmental Reform composed of ten members of the legislature which, after conducting a series of public hearings early in 1932, formulated a rather extensive program of state and local governmental reforms. Both major political parties endorsed the movement for efficiency and economy in their platforms. Governor Caulfield in a number of public addresses urged the need for administrative reorganization and a further concentration of power and responsibility in the office of the chief executive. The Associated Industries, which had initiated an economy campaign in 1925 and had been largely instrumental in keeping the issue alive since that time, sponsored a state-wide organization of business men, known as The Missouri Organization for Reduction of Taxes and Public Expenditures. This group adopted a legislative program drafted by a special research committee which in some respects was more comprehensive than that proposed by the Committee on Taxation and Governmental Reform. Editorial opinion throughout the state generally was favorable to the major proposals of both groups.

Included in the recommendations of the Committee on Taxation and Governmental Reform was a proposal to establish by constitutional amendment an executive budget system, and to empower the governor to reduce items in appropriation bills. Initiated by petition, the amendment carried by a large majority in the general election on November 8, 1932.

Governor-elect Guy B. Park, nominated by the Democratic state committee following the death of the primary nominee Francis F. Wilson, had virtually no time to draft his own legislative program. He commented favorably upon the work of the Committee on Taxation and Governmental Reform in his inaugural address and specifically endorsed proposals for executive budget-

[1] "The Missouri State Survey Commission," by Lloyd M. Short, National Municipal Review, January 1932, pp. 20-25.

ing and centralized purchasing. Subsequently bills embodying a substantial number of the proposals of the committee were introduced by the majority party leaders in the general assembly as administrative measures. Unwieldy majorities in both houses, factional differences, and the opposition of certain interested individuals and groups threatened for a time to endanger the success of the entire program, but before the legislature finally adjourned on April 25, 1933, a considerable portion of the reform program had been enacted into law.[2]

CONSOLIDATION OF BUREAUS AND COMMISSIONS

Approximately a score of bills were passed reorganizing in piecemeal fashion certain portions of the administrative structure of the state. Among the more important changes effected were the abolition of the state board of charities and corrections and the transfer of its powers with respect to the care, supervision, and placement of dependent children and the management of the state children's home to the board of managers of the state eleemosynary institutions, the members of which also were designated as the members of the commission for the blind; the substitution of a commissioner of health, appointed and removable by the governor, for the secretary of the state board of health, appointed by the board, and the transfer to the new health officer of the duties of the food and drug commissioner; the abolition of the board of agriculture and the office of the secretary of that board, and the creation of a department of agriculture in charge of a commissioner responsible to the governor, to whom were transferred the functions of the marketing, plant, and dairy commissioners.

BUDGETING

Missouri has had at least the semblance of a budget system since 1917. The state tax commission created in that year was directed to fully inform itself concerning all expenditures of public funds and to report its findings to the legislature with such recommendations as would promote efficiency and economy and prevent the waste of public funds. Biennial budget reports were prepared by the commission beginning in 1919 Laws passed in 1927 and 1929 strengthened the investigatory powers of the tax commission, and the latter act directed that the budget report be submitted to the governor for his recommendations before it was presented to the legislature.

An executive budget bill passed by the general assembly in 1921 subsequently was defeated by popular referendum. A constitutional amendment providing for an executive budget system also met defeat in 1924 at the hands of the voters. Similar measures were introduced in 1927 and 1929 but failed of adoption. Thus the favorable vote on the constitutional amendment proposed by the Committee on Taxation and Governmental Reform in 1932 was the culmination of repeated attempts spread over more than a decade to introduce this feature of executive control into the state government of Missouri.

The bill passed by the legislature in 1933 to carry out the mandate of the constitutional amendment creating an executive budget system prescribes in considerable detail the procedure to be employed in compiling and revising the budget estimates and the contents of the budget report, provides for continuous executive control through a system of quarterly allotments, and directs that no expenditures shall be made nor obligations incurred without certification from the state auditor that sufficient

[2]For a brief account of the laws passed which concern county government see "Legislation for Missouri Counties," by W. L. Bradshaw, NATIONAL MUNICIPAL REVIEW, July 1933, p. 351.

unencumbered balances remain in the allotment and in the fund drawn upon to pay the same. Imbued with the spirit of economy, the general assembly disapproved the setting up of a new budget bureau and made the chairman of the tax commission ex-officio budget director to serve without additional salary. Governor Park, however, appointed a state budget officer and charged him with full responsibility for the administration of the act. The meager sum of $17,000 was appropriated for the preparation and printing of the budget report.

CENTRAL PURCHASING

As in the case of the executive budget measure, the introduction of a bill providing for centralized purchasing in state government was not an innovation in Missouri. The Associated Industries sponsored such a bill in 1927 and a similar measure was introduced in 1929 with the support of Governor Caulfield, but both efforts met with defeat. The central purchasing act of 1933 creates the office of state purchasing agent with a maximum salary of $5,000. Appointed by the governor with the consent of the senate, to serve at the former's pleasure, the purchasing officer is authorized to procure all supplies except printing, binding, and paper for all state departments, and to negotiate all leases and purchase all lands except for agencies which have constitutional authority to acquire real estate. All supplies are to be purchased on the basis of competitive bids, such bids to be based upon standard specifications prepared by the purchasing agent with the aid of a committee of six appointed by the governor to represent the several state institutions and departments. Annual estimates of supply needs are to be submitted by each state agency to the purchasing agent, who is empowered to transfer supplies from one department to another, to permit the direct purchase of technical supplies and of other supplies in cases of emergency, to sell surplus supplies, and to keep an inventory of all removable equipment owned by the state. A biennial appropriation of $15,000 for the use of this office obviously was inadequate, and an additional appropriation of $20,000 was voted at the special session in 1934.

ACCOUNTING AND AUDITING

The budget law directs the state auditor, in coöperation with the budget director, to prescribe a uniform system of accounting for all state departments and to require regular financial reports from such departments. Accounts are to be kept on an accrual basis. Another bill was passed which requires the state auditor at least once every two years to audit the accounts of all state agencies and to formulate a simple and uniform system of accounting and reporting for such agencies. This bill also provides for the audit of county accounts and the setting up of a uniform system of accounting and reporting for county offices. A field force of ten examiners specified in the act and appropriated for by the legislature is insufficient to permit the proper execution of the provisions of this statute.

Two other bills passed in 1933 abolished the auditing committee of the general assembly which was charged with making what in actual practice had become a perfunctory examination of the accounts of the state auditor and the treasurer, and directed that all fees and other moneys received by any state agency, with certain exceptions in the case of the state educational institutions, should be turned into the state treasury at stated intervals, subject to appropriation by the legislature for the purpose or fund for which collected.

EXECUTIVE CONTROL

In addition to the consolidation, budgeting, and purchasing acts which sub-

stantially enlarge the scope of executive direction and control, two other bills were passed which further strengthen the position of the Missouri governor with respect to state administration. These laws authorize the governor to remove any state officer appointed by him whenever in his opinion such removal is necessary for the betterment of the public service, without assigning any other reason therefor, and to employ accountants to audit the books of any state or local office collecting or receiving state funds whenever in his judgment the public interest will thus be conserved, the expense of such audits to be paid from a special fund appropriated for that purpose ($20,000 in 1933-34).

Financial Control in Operation

Considerable progress has been made in inaugurating the system of financial control authorized by the legislature of 1933. A uniform quarterly report of expenditures, showing total appropriations for the biennium, expenditures for the quarter, unexpended balances, and anticipated requirements for the next quarter—all classified under salaries, additions, repairs and replacements, and operations—has been devised by the state auditor for the use of his own office and that of the budget director. Detailed and summary reports of appropriations, earnings, and expenditures for 1933, and a report of estimated expenditures by quarters for 1934 were called for by the budget officer.

The state purchasing agent undertook at the outset to group commodities into two classes, namely, centralized and non-centralized. Commodities designated as "centralized" were purchased by the central office on requisition of the department, except in the case of emergency purchases made direct by the department in accordance with rules established therefor. All orders totalling $2000 or more were designated as centralized, regardless of the commodities involved. Commodities not yet centralized were to be purchased by the department direct, after receipt of at least two competitive quotations. Additions to the class of centralized commodities were made from time to time. The "General Index of Federal Property" was adopted as the basis for the classification of commodities.

On May 1, 1934, the above rules were cancelled and a more decentralized system for small purchases was inaugurated. Purchase of items for which contracts have been let must be made through the central office, and also non-contract orders amounting to $500 or more. Non-contract orders less than $500 and more than $25 may be awarded by the department direct, after securing at least three competitive bids and after being approved by the central office. All purchases amounting to $25 or less are construed as "emergency" purchases and may be made by the department direct without securing quotations.

The state attorney-general has held, on constitutional grounds, that all purchases of the legislature, the courts, and the state university, and purchases of road materials by the highway commission are exempt from the act. The purchasing agent has accepted these opinions, and has ruled further, contrary to the opinion of the attorney-general, that *all* purchases of the highway commission are exempt.

The requirement in the purchasing act that the state auditor certify to the existence not only of an unexpended balance in the appropriation but also an unencumbered cash balance in the treasury fund drawn upon, sufficient to pay for supplies before they are purchased, has made full enforcement difficult, because of a serious shortage in the state's general revenue fund. To

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Mobilizing Our Housing Forces

Success of National Housing Act depends largely on cities' co-operation

CHARLES S. ASCHER

Executive Director, National Association of Housing Officials

THE best evidence of the extent to which "housing" has become the word of the hour is the name of the newest legislation dealing with mortgage insurance, building and loan insurance, and the extension of credit for home repairs. It is called the National Housing Act. Europeans, who have seen their governments engaged in public housing programs for several decades, or who have seen comprehensive plans for governmental aid to coöperative or other limited-profit associations for the provision of mass housing for the lower income classes, would be surprised, I am sure, to learn that the Federal Housing Administrator is to be an official in charge chiefly of these several insurance schemes.

The economic need for additional aid to the prostrate capital goods industries is clear. The arguments need not be repeated here. It is interesting to note that the beginnings of the new legislation were in the thinking of the economic advisers to several of the federal departments: men frankly not familiar with housing, planning, or even real estate finance, but who, by elimination, had come to believe that houses and battleships were about the only two available articles the production of which created immediate purchasing power, but did not result in excess plant capacity or call for equally immediate absorption of the purchasing power to pay for them. Granted the other premise that the federal government was not itself to be called upon to provide all the money, that private capital was to be enticed into the field, the present rather technical and complicated law was an ingenious conclusion.

There is not space here to digest its provisions: by the time this article is published, the efficient organization which is being set up, with the full energies of the manufacturers of building supplies, lumber, and land behind it, will have expounded the text so that every small home-owner or prospective home-owner will know just how he can borrow the money to add a bathroom or build a house. The act will perform a real service if it makes available to such people twenty-year mortgages for eighty per cent of the appraised value of the structure at 5 or 6 per cent interest, with only 1 per cent premium for the insurance; and if the outrageous system of big bonuses for second mortgage money and fees for frequent renewals is thereby brought to an end.

There is, of course, still in existence a Housing Division of the Public Works Administration, a Public Works Emergency Housing Corporation, and a Subsistence Homesteads Division in

the Department of the Interior. There are fifteen state boards of housing, and twelve local *ad hoc* quasi-municipal corporations called housing authorities already set up under recent enabling legislation in ten states.[1] What is their relation to the National Housing Act? If all this machinery existed, why was additional stimulus needed for the capital goods industries?

Frankly, I suppose, because both the economists and the manufacturers of building supplies were beginning to feel, with some justice, that as an emergency injection, to restore the pulse of health to a barely fluttering heart, the $20,000,000 of limited-dividend housing projects actually under way, and the $125,000,000 allotted to the Emergency Housing Corporation (but not yet spent) were not powerful enough: the patient might be dead before such slow restoratives acted.

What has become clear in this first year of public housing is that in this country it could not be an *emergency* undertaking, even though, by every dictate of economics and governmental policy, it should be, and can still grow to be, a vital part of a long-range public works program, as it has been all over Western Europe. A year ago, almost every community had, already drawn up and approved, blueprints for some grade-crossing elimination, sewer extension, or new highway. How many knew what the need and demand was for low-cost housing; the number of families there were in each rent-paying bracket, the kind of houses they lived in, the existing vacancies and doublings-up, their distribution through the city; the location of inexpensive tracts of land near schools, transportation, and places of employment? Literally dozens of cities, greatly aided by CWA and FERA subventions, have been finding out; they are now in a position to support with facts a program based upon community need, not upon the desires of a particular landowner or architect.[2]

Under the influence of an enabling act (NIRA) which parenthetically required advances of federal funds to be reasonably secured, a note of caution was introduced which militated against an emergency spirit. During the war, one official told me, soldiers had moved into a completed cantonment the day before the attorney-general certified that the government held good title to the land. Now there have been elaborate legal documents to formulate, interdepartmental difficulties to iron out, and procedures to invent, new to peace-time America, with, at the beginning, a very small staff.

The prospect seems to me good for speedy construction from this time on under the auspices of the PWEHC. We shall have, going up in ten to fifteen cities of varying size, demonstration projects which can fortify a demand that many times $150,000,000 be made available for a housing program.

If such a program is to be a policy of federal, state, and local governments,

[1]These bodies, authorized to acquire land (usually by condemnation, if necessary) to construct and operate low-cost housing projects, to issue bonds secured by their assets and revenues, but not authorized to levy taxes in payment thereof, exist in the following cities: New York and Schenectady, N. Y.; Cleveland, Cincinnati, Dayton, Youngstown, Toledo, and Columbus, Ohio; Chicago and East St. Louis, Ill.; Detroit, Mich.; Columbia, S. C. In Los Angeles and Milwaukee similarly empowered agencies are active under the charter powers of the cities. Enabling acts have also been adopted in Kentucky, New Jersey (where a state-wide authority has been set up), West Virginia, Delaware and Maryland.

[2]Such studies have been made, with varying skill and comprehensiveness, e.g., in Boston, Hartford, New York, Philadelphia, Cleveland, Detroit, Chicago, Dayton, Toledo, Milwaukee, Minneapolis, Wilmington, Del., East St. Louis, Des Moines, Schenectady, San Francisco, and even Meadville, Pa., in addition to the nearly eighty cities where the Department of Commerce or other agencies have conducted a real property inventory.

there is a double need for close collaboration between the officials responsible for these activities and the new Federal Housing Administrator.

We may assume that the Housing Administrator will have skilled advisers, experienced in the financing of installment purchases, to establish standards of credit risk as a basis for approving the insurance of mortgages. We know what part of a man's income he may safely plan to devote to shelter; we can appraise the value of his house and the soundness of the institution which is making the loan and seeking the insurance. The act requires that the project be "economically sound".[3]

Is it not equally an element of economic soundness, and is it not essential for the future of the community, that the proposed building shall not lie in the way of a future parkway; that the insured loan shall not be used to rehabilitate a dwelling surrounded by houses so decayed that the block should be torn down and replaced by a comprehensively planned development?

But clearly, it will be impossible for any bureau in Washington to pass upon such problems: it must rely upon local city plan commissions, upon local housing authorities; it must take into account the results of the studies of the last year or two which I have described above. The challenge, therefore, is to local government to help, and to prove that it has the power to help, or the city may find that over the years it will pay dearly for the temporary advantage of some employment in the building trades and a boost to the material dealers. Every evidence so far is that the Housing Administration will welcome such help; local officials must give it, and local citizens must show that the community wants such controls.

Again, is a loan "economically sound" for the construction of a dwelling in an area zoned for business or light industry, when a factory might legally spring up next door? Clearly not; and yet one of the causes of blight in our cities is the over-zoning for these "high-value" uses, far beyond any conceivable likelihood of real need, which nevertheless make it hazardous to develop the land for its best use—residence. The Housing Administrator, by wise use of his discretion, can exert a tremendous influence for revision of antedated zoning maps—and building codes.

If the insurance offered succeeds in enticing private capital into mortgage investment, Section 207 of the act (drafted by the New York City Housing Authority) may provide the means for attracting it similarly to the field of publicly sponsored low-cost housing. By this section, the Administrator is authorized to insure mortgages issued by such public agencies, or publicly regulated limited-profit private agencies, up to $10,000,000 for any one project; without restriction to a percentage of the appraised value of the property or a twenty-year term of amortization.

At the present time (partly by virtue of amendments contained in the National Housing Act) there are some eight federal agencies with credit available for housing and home building: the production credit associations organized under the Farm Credit Act, the HOLC, the RFC, the Federal Reserve Banks, the PWA, and a lot of other alphabets. If, as a result of the studies and researches which he is authorized to make, the new Housing Administrator can devise a system for bringing all these agencies together, the National Housing Act may be a great step forward in the development of a coördinated federal housing program.

[3] The original bill enjoined the administrator to discourage "socially undesirable" building. The congressional committee struck out the phrase as being too vague.

Hamilton County, Ohio, Recounts Some Ballots

Analysis of precinct errors strengthens case for a central count

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"Let us of simple faith but mark the ballots of our country, and we care not who does the counting."—From the *Misquoted Masterpieces of Eudohn Thaitho,* probably.

When one has completed the fantastic toils of a seven-month campaign for a county office, and has heard his rival declared victor by a margin which barely exceeds "the skin of his teeth," one inclines not unreadily to suggestions that there be errors in the count, which being corrected would reverse the apparent result. Instances accumulated in Ohio, and distrust settled thickly upon many an official election result. The judicial contest, cumbersome and expensive, was rarely invoked. So those who in 1929 and 1931 revised Ohio's election laws embodied in them a remedy new to the state, a variant of the precinct recount.

418 PRECINCTS OUT OF 671—RECOUNT 'EM!

At the election of 1932, the voters of Hamilton County (Cincinnati and environs) had their choice, for the office of clerk of courts, between Captain Hayes, incumbent, Republican, and Mr. McCarthy, Citizens' ticket. As the board of elections checked precinct returns in the course of the official canvass, discrepancies appeared which led the board upon its own statutory authority to recount the Hayes-McCarthy vote in three precincts. Thereby Hayes gained 123 votes; McCarthy lost 207 in two precincts, offset by a gain of 74 in the third, a net loss of 133. The relative result was to reduce McCarthy's majority by 256. But that majority was still 564 in a total reported vote exceeding 211,000—about .28 per cent —less than a vote apiece for the 671 precincts. It appeared to Captain Hayes and his friends that a minority so large might be turned into a majority by further recounts, and accordingly the sum of $4,000 was deposited with the election board, accompanied by a list of 400 precincts to be recounted.

At the same election each voter had the opportunity of voting for as many as nine of eighteen candidates for state representative, and could do it either on a straight Republican, a straight Democratic, or a scratched ticket. The official canvass of precinct returns, in one place reversing the election night announcements, placed Mr. Cordon, Democrat, tenth, only seventy-seven votes behind Mr. Cordes, Republican, and ninth elected. Mr. Cordon posted his forfeits upon the recounting of fifteen precincts.

The first five tables at the end of this article present several analyses of the errors discovered by the Hayes-McCarthy recount. Tables 6 and 7

present analyses of the legislative recount. In Table 6 there are shown also hypothetical corrections of total votes of the several candidates, upon the unlikely assumption that the errors discovered in the fifteen precincts constitute a true index of the proportions of error throughout the county.

It does not require close statistical interpretation of the tables to demonstrate an almost universal propensity of precinct officials to err. And where were the sharp eyes of the partisan witnesses to their tallying? The narrow sample of the legislative recount revealed no perfect precinct return. If we extend to all 671 precincts the proportions found among the 400, only 57 may be supposed correct as between Hayes and McCarthy, and only 26 free from error both in that contest and in total vote cast. The demonstration is irresistible, and leads on to the contemplation of other questions.

DOES IT MATTER?

It is reported that recounts in other cities rarely if ever change the results first announced.[1] So many precincts were included in the Hayes-McCarthy recount that we may be warranted in believing that had all the rest been recounted the result would still have been the same. So nicely were errors balanced! We may be reasonably sure that recounts would not have wiped out the considerably larger majorities of certain other candidates.

May we then dismiss the errors of precinct counters as of no consequence, upon the ground that they wash each other out? The writer cannot. It seems very likely that a further recount of ballots for state representative, either of a few additional, well selected precincts or of all, would have changed at least one face in the delegation. Without partisanship among the candidates one may lament that so few precincts were explored for errors in this race.

The writer will not be content with any election machinery which does not operate to recognize all the votes actually cast and to declare the results with the utmost humanly attainable accuracy, unimpeachably so far as go the principles of choice of the election system. In financial accounting we obtain statements correct to a cent. To be satisfied with anything less than accuracy to a vote, when such accuracy is attainable as easily as error, seems tantamount almost to repudiating the basic principles of representative government and of popular rule.

IS CORRECT COUNTING POSSIBLE IN THE PRECINCTS?

When we consider the paraphernalia of the precinct count, we cannot without great hardihood reproach precinct officials for such errors as are honestly made. In the instant case they had been on duty twelve hours or more before beginning to count—the Ohio constitution fixes eight hours as the maximum day's work, except in emergencies. Such hours for precinct officials are not peculiar to Ohio. The precinct officers' count is necessarily made without supervision other than such as may proceed from the not always disinterested party witnesses. Probably a large number of the smaller errors arose from misunderstanding the criteria of a valid ballot. Who is so fatuous as to look in every polling place to find a master of a complex election law and of its application to a blanket ballot, and of the arts of tabulation? Here, as throughout the land, polling places are not invariably well ventilated; they are seldom well lighted for exacting work by exhausted persons doing unfamiliar sums.

The blanket ballot is a formidable thing to count when it is scratched.

[1] "Registrations and Elections in Six Cities," Civic Research Institute, Kansas City, Missouri. Sept. 1930.

That which bore the miscounted votes exhibited in this paper lacked but an eighth of an inch either way of being 23 by 19 inches. Its width was divided among seven party columns, its length among 20 offices, with 32 names in the Republican column, 24 in the Democratic, and nine at the bottom of the otherwise vacant Citizens' ticket. The four small party columns contained six to ten names each, at the top.

The precinct officials had to transcribe votes from such a sheet upon "work sheets" with crowded lines and unbroken tally spaces, and to tally books only slightly better in form. Some errors could no doubt have been avoided by using pre-numbered, self-counting tallies of the type recommended in the Model Election Administration Report of the National Municipal League.

There is thus ample explanation for the errors disclosed. To explain is not to extenuate the system. There is no occasion to suspect the honesty of the precinct officers. The writer is convinced that such a suspicion would be unjust. But other times and other places may differ. One must be fond

TABLE 1
DISTRIBUTION OF CHANGES MADE IN CANDIDATES' VOTES BY RECOUNT

Amount of Error per Precinct	Number of Precincts Affected								
	Hayes			McCarthy			Total		
	Gain	Loss	Total	Gain	Loss	Total	Gain	Loss	Total
1	63	36	99	50	69	109	113	95	208
2	48	24	72	31	38	69	79	62	141
3	31	17	48	17	15	32	48	32	80
4	17	2	19	8	4	12	25	6	31
5	7	7	14	9	3	12	16	10	26
6	3	7	10	5	3	8	8	10	18
7	2	3	5	4	3	7	6	6	12
8	2	2	4	3	2	5	5	4	9
9	1	3	4	1	1	2	2	4	6
10				2	3	5	2	3	5
11	1	4	5	5	4	9	6	8	14
12	1	1	2	2		2	3	1	4
13		3	3	2	3	5	2	6	8
14		1	1					1	1
15	1	1	2	1		1	2	1	3
16		1	1					1	1
17		1	1					1	1
18		2	2		1	1		3	3
19		1	1		1	1		2	2
20				2	2	4	2	2	4
21		1	1					1	1
23				1		1	1		1
24		1	1		1	1		2	2
25				1		1	1		1
32	1		1				1		1
33		1	1					1	1
34		1	1		1	1		2	2
38		1	1					1	1
40					1	1		1	1
43					1	1		1	1
45		1	1					1	1
46				1		1	1		1
48					1	1		1	1
52					1	1		1	1
56					1	1		1	1
72	1		1				1		1
75	1		1				1		1
77		1	1		1	1		2	2
78					1	1		1	1
93					1	1		1	1
139				1		1	1		1
Totals	180	123	303	146	152	298	326	275	601

Precincts in error as to both	232	No. errors	464
Precincts in error as to one only	137	No. errors	137
Precincts in error	369	Actual errors	601
Precincts correct, both reports	31	Reports correct	199
Total precincts	400	Possible errors	800

to expect from blanket ballot and precinct counts that measure of accuracy which is the *sine qua non* of majority rule.

WHAT OF THE RECOUNT?

The observations upon this question are directed to the system provided in the Ohio election law, and not all of them are applicable to the scheme recommended in the Model Election Administration Report, or to the schemes of other jurisdictions.

Note first that the recount purports to be nothing more than a remedy for defective precinct returns. It is not a preventive of error. To be completely satisfied with it in the face of such numerous erring as occurred in Hamilton County we should either be indifferent to error, or must resign ourselves to precinct counts and errors as inevitable.

If we desire invariable accuracy we cannot be satisfied with the recount even as a remedy. It is invoked only by an apparently defeated candidate in the hope of wresting the office from his opponent. There may be error in the returns sufficient to change many results, but unless some candidate backs his discontent with money the law does not conceive that public interest requires its correction. Why have we elections in the first place? Let the candidate be indifferent, or unprovided with the money to secure a recount, or let the apparent majority be large, and the grossest errors may go undetected to the incinerator.

Moreover, the recount applies only to the particular race in which the appealing candidate is a participant. Regardless of that contest it may become apparent in the course of any extensive recount that serious error occurred in other parts of the ballot also—as when precinct officers have erroneously counted, or rejected, numerous entire ballots, on questions of validity. They may be corrected only for or against the depositor. Other defeated candidates may not even come in and pay for another recount, the time having run. Consider the precinct numbered 13 in Table 7. It is in a straight-balloting ward.

Whether the incompleteness may extend even to parts of a precinct vote is not clear from the statute. It is certain, however, that the recount is confined to those precincts indicated by the appealing candidate. He has no interest impelling him to seek corrections which might favor his opponent. If in a close contest he is shrewd enough to guess where corrections will favor him, and where his opponent, he may be able to oust a candidate who if the whole vote were corrected would still be elected. Thus Hayes might have overcome McCarthy's majority by selecting eight certain precincts, and

TABLE 2

ANALYSIS OF ACTUAL CHANGES MADE BY RECOUNT IN VOTE OF HAYES AND McCARTHY

Who Affected	Total Precincts	Hayes Gains Pcts.	Hayes Gains Amt.	Hayes Losses Pcts.	Hayes Losses Amt.	McCarthy Gains Pcts.	McCarthy Gains Amt.	McCarthy Losses Pcts.	McCarthy Losses Amt.
Neither	31								
Hayes alone	71	43	172	28	213				
Hayes gains; McCarthy loses	74	74	212					74	565
Hayes loses; McCarthy gains	45			45	232	45	391		
Both gain	63	63	245			63	246		
Both lose	50			50	323			50	339
McCarthy alone	66					38	107	28	106
Total	400	180	629	123	768	146	744	152	1010
Net					139				266
Relative net change			127						127

Note: In each of 30 of the 74 precincts, Hayes gained and McCarthy lost the same number of votes; in each of 11 of the 45 Hayes lost and McCarthy gained the same number.

would not have imperiled his gains had he been able to avoid any or most of those certain 158 in which the relative advantage lay with McCarthy. It is no answer to point out that he was in fact unable to select with such uncanny discrimination. It is true that the threatened candidate may ask for the recount of additional precincts; but in Ohio he must do so at the same time as his opponent, before the recount starts. An apparently successful candidate will not make such a request unless he agrees with his opponent that substantial errors are probable, nor unless he fears the cunning of his opponent's selection. He, too, will seldom ask for a recount in all precincts. McCarthy did ask for fifteen; he withdrew request and deposit at the conclusion of the 400. The provisions of the model system, and of some other jurisdictions, are better. None look to the correction of all the errors.

The partial correction of erroneous returns from precincts adds to the expense of elections and points up the uncertainties of precinct counting. But

TABLE 3
ANALYSIS OF RELATIVE GAINS AND LOSSES
HAYES-McCARTHY RECOUNT

Who Affected	Total Pcts.	Hayes' Relative Gain McCarthy's Relative Loss		McCarthy's Relative Gain Hayes' Relative Loss		No Relative Change	
		Pcts.	Value	Pcts.	Value	Pcts.	Value
Neither	31						
Hayes alone	71	43	172	28	213		
Hayes' gain; McCarthy's loss	74	74	777				
Hayes' loss; McCarthy's gain	45			45	623		
Both gain	63	26	122	23	123	14	0
Both lose	50	20	182	23	166	7	0
McCarthy alone	66	28	106	38	107		
Total	400	191	1359	157	1232	21	0
Net relative change			127				

TABLE 4
DISTRIBUTION OF RELATIVE ERRORS
HAYES-McCARTHY RECOUNT

Relative Change per Pct.	Hayes' relative gain				McCarthy's relative gain				Relative Change per Pct.
	No. Pcts.	Change	Subtotals Pcts.	Value	No. Pcts.	Change	Subtotals Pcts.	Value	
140					1	140	1	140	140
125	1	125	1	125					125
81	1	81	2	206					81
80	1	80	3	286					80
77					1	77	2	207	77
73	1	73	4	359					73
72	1	72	5	431					72
58	1	58	6	489					58
51	1	51	7	540					51
50	1	50	8	590			2	207	50
26 to 49	2	87	10	677	5	192	7	409	26 to 49
21 to 25	1	24	11	701	6	138	13	547	21 to 25
16 to 20	4	74	15	775	8	151	21	698	16 to 20
11 to 15	9	118	24	893	11	141	32	839	11 to 15
6 to 10	17	119	41	1012	22	160	54	999	6 to 10
5	9	45	50	1057	9	45	63	1044	5
4	22	88	72	1145	8	32	71	1076	4
3	23	69	95	1214	21	63	92	1139	3
2	49	98	144	1312	28	56	120	1195	2
1	47	47	191	1359	37	37	157	1232	1
Net relative change				127					

Note:—This is a frequency table, analyzing by magnitude and number the relative gains and losses shown also in Table 3.

TABLE 5
RECONCILIATION OF PRIOR TABLES WITH OFFICIAL RECORDS

	Hayes	McCarthy	Majority
Original official canvass	105,412	105,976	564
Loss by recount	139	266	127
Leaving	105,373	105,710	437
Disputed ballots which had been included in official canvass and were omitted (by inadvertence?) from totals at end of recount	132	133	
Official canvass as declared after recount	105,141	105,577	436

TABLE 6
LEGISLATIVE RECOUNT—EFFECT ON CANDIDATES' VOTES

Order of Candidates on Precinct Returns	Candidate and Party	Fifteen Precincts Actually Recounted: Precincts Correct†	Precincts Gain	Precincts Loss	Votes Gain	Votes Loss	Votes Net Gain or Loss	Hypothetical Changes in 671 Precincts—if same rate of gain or loss applies throughout: Original Official Vote	Changes—all Precincts	Hypothetical Corrected Vote	Hypothetical Order of Candidates
1	D 1	2	8	5	84	12	72	122,364	3221	125,585	1
2	D 2	2	8	5	77	33	44	122,281	2456	124,637	2
3	R 1	3	8	4	42	11	31	121,849	1383	122,232	3
4	R 2	2	9	4	43	12	31	120,039	1383	121,422	4
5	R 3	3	7	5	39	11	28	118,907	1249	120,156	7↓
6	D 3	1	8	6	77	33	44	117,998	1967	118,965	9↓
7	D 4	5	7	3	85	9	74	117,708	3309	121,017	5↑
8	D 5	3	7	5	69	15	54	117,610	2416	120,026	8
9	R 4	2	7	6	34	23	11	117,554	490	118,044	10↓
10	D 6	2	6	7	77	14	63*	117,477*	2819	120,294	6↑
11	R 5	2	9	4	31	15	16	115,726	712	116,437	11
12	R 6	2	7	6	40	20	20	115,415	895	116,310	12
13	R 7	4	6	5	21	10	11	114,560	400	115,050	14↓
14	D 7	2	7	6	68	18	50	112,361	2237	115,598	13↑
15	R 8	3	7	5	34	15	19	111,132	846	111,978	16↓
16	D 8	1	8	6	67	23	44	110,941	1967	112,908	15↑
17	D 9	3	5	7	57	18	39	108,791	1745	110,536	17
18	R 9	3	6	6	34	53	—29	102,687	—1296	101,391	18
Total vote cast		3	1	11	39	46	— 7				

*Note that the recount reduced the margin of defeat from 77 votes to 25.
†45 of 270 candidate reports correct.

TABLE 7
LEGISLATIVE RECOUNT—CHANGES BY PRECINCTS

Precinct	Candidates Returned Correctly	Candidates Gain	Candidates Lose	Votes Gained	Votes Lost	Net Votes Gained	Net Votes Lost	Changes in Total Vote Cast
1	15	3	0	3	0	3		—4
2	2	5	11	52	27	25		—1
3	9	6	3	8	4	4		0
4	0	9	9	17	38		21	+39
5	8	1	9	1	40		39	0
6	2	9	7	59	12	47		—8
7	0	9	9	73	57	16		—5
8	0	13	5	33	39		6	—2
9	1	17	0	293	0	293		—8
10	2	1	15	1	50		49	—2
11	0	15	3	61	11	50		—1
12	0	18	0	41	0	41		—6
13	1	9	8	253	8	245		—8
14	5	6	7	8	16		8	0
15	0	9	9	66	22	44		—1

it seems to lack the virtues of thoroughness and certainty.

WHAT ELSE?

Of course no one would suggest an obligatory complete recount. Why make correctible errors in the first place? After the completion of the recounts described in this paper leaders of both sides spoke up, spontaneously, in favor of a central original count. This proposal goes upon the assumption that paper ballots, and not voting machines, are still to be used, and it goes in some measure upon the assumption that we shall make progress slowly toward the short ballot.[2] And it got nowhere in the 1933 legislature.

Might there be less weakness in the precinct count if the ballot could be shortened enough? England in parliamentary elections has a shorter ballot than we shall attain, and she counts them all together, not even keeping separate results by polling places. There is nothing inconsistent between the short ballot and the central count.

Everything But the Windmills in the Principalities of Louisiana

CERVANTES lived too early, and his memorable creation of Don Quixote and Sancho Panza was premature. For not in Spain, but in our modern United States, in the Principalities of Louisiana, there are to be erected and placed in the command of kings and queens, castles built at public expense and filled with retinues of liveried servants. Such will be the new mode of living if H. B. 654 now before the legislature passes.

For those who don't believe in modern Don Quixotes, the legislative masterpiece is quoted completely:

"An act to make every man a king, every woman a queen; to provide crowns, castles, kingdoms and emoluments due such royalty in the state of Louisiana.

"Section 1. Be it enacted by the Legislature of Louisiana that the title of king shall be conferred upon every male citizen of Louisiana. In addressing a citizen of Louisiana it shall be required to address as follows: 'Your Majesty.'

"Section 2. Every king and every queen shall be entitled to a crown, a $90,000 castle, a hotel suite, a pair of green silk pajamas and $50,000 annually.

"Section 3. Every king shall be entitled to a queen (or a harem if desired).

"Section 4. In order to provide for the crowns, castles, etc., for the kings and queens of Louisiana a tax of $10,000 annually is made upon the sacred Standard Oil Company.

"Section 5. This act shall become effective on the day that the share-the-wealth program becomes effective."

But there is one equipment lacking. The windmills were overlooked. Perhaps the "Committee on Printing" to which the bill was assigned will discover the omission in time to add an amendment, providing for some worthy foe against whom each of the new kings can battle with sword and lance.

Of course, Louisianians have a suspicion that the windmills were not overlooked, for between the lines they read the puns from Senator Long's autobiography "Every Man a King."

HAROLD A. STONE
New Orleans Bureau of
Governmental Research

[2]It is not suggested that error is impossible in the central recount. Three certain precincts were included in both recounts. In one of the three the first recount corrected the statement of total precinct vote by one, the other by six.

NEWS OF THE MONTH

County Government Amendments in New York.—As this issue of the REVIEW goes to press there seems a strong likelihood that constitutional amendments opening the way for fundamental improvements in county government throughout the state will pass the current special session of the New York legislature.

As explained in the July REVIEW by Richard S. Childs, chairman of the New York City Charter Commission's committee on county government, the session was called for July 10 by Governor Lehman, at the request of the commission in order to avoid a two-year delay in the reform and partial abolition of the five county governments within the city. The constitutional amendment prepared by the Commission for this purpose has been introduced by the Democratic majority leader, John J. Dunnigan, in the senate and the New York City Republican leader, Abbot Low Moffat, in the assembly, and seems likely to pass with only minor amendments. It leaves district attorneys and judges unchanged, makes county clerks appointive by the Appellate Divisions of the Supreme Courts and gives them the duties of commissioners of jurors and their present duties as clerks of the courts, and allows the municipal assembly to abolish all other county offices and assign their duties to appropriate city or court officials.

In his call for the special session Governor Lehman included a request for the modernization of county government by constitutional amendment in the counties outside New York City and referred to his strong message in behalf of local government reform at the beginning of the last regular session. "Today," he said, "the taxpayers in every part of this state demand a form of local government more up-to-date in structure, more efficient, and more economical. It is plain that the achievement of their desires will lessen the load of local taxation."

Senator Seabury C. Mastick (Republican), who sponsored the Governor's amendment for upstate counties at the regular session, Senator Thomas C. Desmond (Republican), who sponsored a somewhat more comprehensive amendment with self-executing provisions for home rule and including New York City, and Senator Stephen J. Wojtkowiak (Democrat), who sponsored a very limited amendment on behalf of the county government commission of Erie County, all promptly re-introduced their measures which passed the senate earlier in the year. But the surprise move was made by the Republican leader, Senator George R. Fearon, who promptly put in an amendment combining into one the Dunnigan amendment for New York City and the Mastick amendment for the rest of the state. The Republicans had killed all the upstate amendments in the assembly rules committee at the regular session, including the Mastick bill incorporated in the Fearon bill and the Desmond bill, which like the present Fearon bill included New York City. Their present right-about-face seems sure to bring the passage of amendments affecting all counties and to rob the Democrats of this popular issue in the approaching gubernatorial campaign. At Ex-Governor Smith's suggestion it is expected that the Dunnigan-Moffat, Mastick-Kelly, and Fearon-O'Mara amendments will all pass this session, leaving to the next legislature the decision as to whether separate or combined amendments are to be submitted for the two parts of the state.

The Mastick amendment allows the legislature by optional forms of county government to abolish or make appointive present elective

constitutional offices and to transfer functions among the various units of local and state government. Before becoming effective in a county such a form must receive a majority vote in the county as a whole, in any municipality containing more than a quarter of the county's population, and in the county outside such municipalities. This last provision is under attack from some quarters as being unnecessarily restrictive, as is the failure of the amendment to allow the legislature to modify constitutional offices and redistribute functions by general law.

In preparation for the special session the National Municipal League sent a questionnaire on county government to a considerable number of organizations of citizens throughout the state and held a conference on the subject at the Town Hall, New York City, on July 9, attended by twenty-seven delegates from organizations in Nassau, Orange, Rockland, Ulster, and Westchester Counties. Replies to the questionnaire were received from over thirty local organizations in sixteen counties and three state-wide organizations, the League of Women Voters, the State Charities Aid Association, and the State Federation of Women's Clubs. Those who answered the questionnaire and also those who attended the conference were nearly unanimous in support of the following proposals:

1. That a constitutional amendment to facilitate improvements in county government outside New York City should be passed at this session of the legislature;

2. That such an amendment should allow constitutional offices to be abolished or made appointive;

3. That it should allow the transfer of functions among the various units of local government.

A majority were also in favor of allowing these new powers to be exercised either by the legislature by general law or by local action within the county. The conference amplified this position by recommending that local action should not be taken by the county board of supervisors but only by vote of the people initiated by the legislature or by petition. The conference also agreed that it would be wiser to submit separate amendments for New York City and the rest of the state.

The Desmond amendment meets these requirements except that it includes New York City and allows county supervisors to initiate changes. The Mastick-Kelly amendment meets them except that it does not allow the legislature to exercise the proposed new powers by general law. The recommendations were sent to the legislative leaders, to the organizations which participated in them, and to the press.

P. S. August 3.—The Fearon, Mastick, Dunnigan, and Wojtkowiak bills passed the Senate, but only the Fearon bill has passed the assembly. In spite of the supposed agreement, the Republican leaders in the assembly are taking no chances on a Democratic legislature, which might pass only the Mastick upstate bill, next time.

The following two notes were written before the New York City Charter Commission's meeting of August 2, when Governor Smith, Judge Seabury, and others decided to resign because of developments which made them feel hopeless of constructive results. The notes are still of some importance as indicating the lines along which progress may still be made, perhaps through some other agency.

A Vote to Submit P. R.—At its meeting on July 24, the New York City Charter Commission voted 19 to 9 to submit proportional representation to the voters of the city next fall. It had previously voted 18 to 10 against the principle, but since the law creating the commission had expressly authorized the submission of P. R. as a separate question not affecting the fate of the rest of the charter, most of the members were willing to let the voters decide the matter for themselves. Alfred E. Smith, chairman of the commission, was among the opponents of P. R. who favored the action taken. Samuel Seabury, vice-chairman, is an enthusiastic champion of the system.

The commission's committee on P. R. had strongly recommended it in a majority report signed by Norman Thomas (Socialist), chairman, and George Brokaw Compton (Republican). A minority report opposing even its submission was submitted by Mrs. Alice Campbell Good (Democrat). The majority report recommended the Hare system of P. R. with a fixed quota and borough-wide districts. It also recommended separate submission of the corresponding system of majority preferential voting—commonly known as the alternative vote—for mayor and comptroller. As we go to press this issue has not been decided. The two majority members divided on the question of a non-partisan ballot, but it

seems likely that the commission will favor some scheme for party designations.

The favorable report on P. R. followed strong support of the Hare system, at two public hearings and by written statements, from an impressive array of political and civic organizations. The Republican Party (through spokesmen for its Manhattan and Brooklyn organizations), the City-Fusion Party, the Socialist Party, and the Knickerbocker Democrats—all the principal party organizations except the Democratic regulars and the Communists[1]—supported it. The civic groups on record for it include the Citizens Union, the City Affairs Committee, the Joint Committee of Teachers' Organizations, the League of Women Voters, the Merchants Association, the New York Board of Trade, the New York League of Business and Professional Women, and the Women's City Club.

New York City Borough Government.— At the same meeting on July 24, the commission voted 15 to 13 for a new plan of borough government which was substantially the same as the one advocated by the Civic Conference of New York City, specifically endorsed by the Conference organizations listed above, and outlined for the commission in a timely memorandum by Mr. Compton.[2] It represented a victory for Governor Smith and Judge Seabury, who had been voted down in their pleas for borough government reform the week before. The proposition adopted reads as follows:

> There shall be a borough president elected by direct vote of the people in each borough. He shall be a member of the city legislative body with a vote on all questions coming before it. He shall be chairman of the local improvement board or borough council and have an office in the borough hall. He shall have no administrative or executive functions, but it is understood that if a central department of public works is created it shall have an office, with an administrative head in each borough.

If this position is maintained against vigorous protests from influential sources in Brooklyn and Queens against taking away any of the present powers of the borough presidents, and if the commission decides on a single-house city legislature, all of the major recommendations of the Civic Conference except the city manager plan will have been adopted for submission to the voters in the fall. The Civic Conference, as explained in an earlier issue, is the "citizens' council" of New York City.

George H. Hallett, Jr., *Secretary*
Citizens Union of the City of New York.

* * *

Michigan—County Reorganization Leaps First Barrier.— The drive for signatures to petitions which will place the issue of county reorganization on the ballot in Michigan has gone over the top. By means of constitutional initiative the voters of the state themselves will now decide the question of reform. The State Committee on County Reorganization is headed by Claude H. Stevens, former state senator. In the Detroit metropolitan area the campaign for signatures was conducted by William P. Lovett, and in the other counties of the state by Clarence V. Swazel, offices being set up in Lansing and in Detroit. Although the campaign for signatures did not get under way until three months before the filing date, some 250,000 names were obtained, well over the number required to put the amendment on the ballot next November. By the last week of the intensive drive, signatures were pouring into headquarters at the rate of 15,000 a day from all sections of the state. The repeated refusals of the Michigan House of Representatives to submit the issue of county reform to the voters apparently has raised the public ire.

Careful organization of the campaign brought success to the enthusiastic workers. Volunteer committees in the populous counties guided local efforts in circulating the petition. The League of Women Voters and numerous other civic, professional, and business groups by their volunteer services ensured the outcome of the signature campaign. The amendment has the almost unanimous support of the daily newspapers of the state, and they gave it wide-spread publicity. What opposition there was came from rural weekly papers that object to the possible elimination of township representation on county boards under optional laws or home rule charters.

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[1]The Communists wanted a party list system. The Democratic organization was not heard from officially.

[2]The only difference is that the conference plan called for borough presidents elected by the borough councils instead of by direct vote of the people.

The task of carrying forward the educational campaign for adoption of the amendment will rest upon these same groups under the leadership of the State Committee on County Reorganization.

Briefly, the amendment will permit the legislature to set up optional plans of county government other than that provided by the state constitution. County boards by a two-thirds vote may submit to the voters a new plan of government. The electors of a county by initiative petition may likewise submit a new plan of government to popular referendum. Thus, neither the state legislature nor the county board through failure to act may prevent reorganization in a county where the voters demand it by initiative petition. Any plan of government submitted under the amendment must be approved by a majority of the electors voting on the question before it can take effect. While no county will be forced to alter its existing organization, any county will be free to do so.

A. W. Bromage

University of Michigan

* * *

National Committee to Renew Pay Your Taxes Campaign Efforts.—The National Pay Your Taxes Campaign, launched late last fall to assist municipal governments in collecting current and delinquent taxes, will be carried on with renewed vigor during the fall and winter of 1934-35 according to arrangements now being made by the national committee, of which Sanders Shanks, Jr., editor of *The Bond Buyer*, is secretary. The campaign is directed by the National Municipal League.

Results secured by the campaign during the past year have been highly successful. It will be recalled that at the time the campaign was begun, tax strikes had assumed serious proportions in many cities throughout the country, threatening the very foundations of local government. In other sections lax and inefficient collection methods, popular indifference, and a willingness to take advantage of the current economic situation to escape payment of taxes had resulted in disproportionately high tax delinquencies. Vicious legislation in many states had effectively pulled the teeth of collection laws and left local officials without any means of enforcing their cities' claims against taxpayers. The net result was that cities, on the one hand, were unable to secure sufficient funds to finance current needs and, on the other, could not borrow for the extraordinary needs caused by unemployment and general depression conditions.

Perhaps the most marked improvement during the period of the campaign has been in the restoration of municipal credit. As has been pointed out in this department before, many cities are today borrowing money at rates approximating the best they secured three and four years ago. At the same time the tax strike has been virtually eliminated from the American scene, large amounts of tax arrears have been secured in cities where campaigns were put on, and current tax collections have been stimulated in varying degrees throughout the country. All the credit for the improvement obviously cannot be claimed by the Pay Your Taxes Campaign. But the campaign's efforts have been definitely responsible for the upswing in a large number of specific instances, while the publicity and educational work carried on over the radio and in the press has been of incalculable value in strengthening taxpayer morale and informing public officials of the effectiveness of tax collection programs which have been conspicuously successful elsewhere.

The committee's determination to continue the campaign is caused by two factors. In the first place, it is felt that the improvements in current collections are spotty and uneven, and must be followed up effectively if the ground gained during the year is to be retained. Further, large amounts of delinquent taxes are still outstanding in many cities. Many municipalities will not feel the stimulus of economic improvement for some time, and education of the taxpayer to his responsibility in these centers will be in many cases the only real weapon in the hands of public officials.

In the second place, the general public is as yet ignorant, or at best only dimly aware, of the effects of much existing and proposed legislation purporting to lighten the burden of the distressed taxpayer. Wholesale remission of penalties, indiscriminate extension of periods before which taxes become delinquent, and indefinite postponement of dates for tax lien sales, have almost without exception aggravated the delinquency problem

and in so doing increased the burden on the conscientious taxpayer meeting his tax bills promptly. There is a crying need for effective popular education here.

The renewed campaign will continue to assist local governments faced with acute tax delinquency problems, and will at the same time provide publicity on many of the phases of tax collection on which sane and wise legislative action is vitally necessary. The first round in the fight to secure satisfactory revenues for local governments has been successful. Continued action and increased citizen support must be enlisted, however, before the majority of our cities will have won their battle to assure taxpayers of all the services they demand.

Oklahoma Supreme Court Blocks Governor's Penalty Waiver Order.—The Oklahoma State Supreme Court has reversed a test ruling from the Carter County District Court, thus declaring illegal an order of Governor Murray remitting tax penalties "on all classes of property upon which taxes are levied for the state, county, or any subdivision thereof, levied and assessed for the year 1933, and all prior years thereto from the beginning of statehood." The penalty was to be waived only if the taxpayer paid his delinquent taxes by July 1.

Justice Monroe Osborn's decision declared that neither the state constitution nor legislative acts authorized the governor "to remit, by exclusive executive order, the penalties on delinquent ad valorem taxes." Governor Murray had attempted to remit the penalties under the pardon powers invested in the governor by the constitution.

Enforcement of tax collection throughout the state has been at a standstill since the order was issued, tax officials and city attorneys being loath to proceed with distress collections until their personal liability under the governor's order was clarified. The supreme court's ruling is expected to affect tax collections through the state and should permit immediate constructive action in a number of localities where it has been delayed.

WADE S. SMITH.

* * *

Law of Municipal Corporations to be Discussed at Bar Association Meeting.—At the annual meeting of the American Bar Association in Milwaukee, Wisconsin, a round-table discussion has been arranged for Monday afternoon, August 17, by the committee on the law of municipal corporations. Three papers will be presented and discussed: "Legal Problems Affecting the Non-Federal Phases of the Federal Public Works Program", by Frederick Wiener of the federal emergency administration at Washington; "State Receiverships of Municipal Corporations ", by Henry F. Long, state commissioner of corporations and taxation, Boston, Mass.; and "Immunity of Municipal Corporations from Tort Liability", by Dr. Edwin M. Borchard of Yale University.

Second Short Course on Police Administration at Ohio State University.—The success of the first short course on police administration, held at Ohio State University, Columbus, Ohio, in March (see page 324 of the REVIEW for June) has led to arrangements for a second course to be held there in September. The latter will include not only a beginning section but an advanced section, to which those who attended in March and other police officers of long experience will be eligible. They will run simultaneously from September 3 to 8. A moderate fee is charged. Dr. Harvey Walker will direct the course, which will be available to police officers from any city or county of the state that authorizes such attendance.

City Managers' Conference.—Preparations are now being made for the twenty-first annual conference of the International City Managers' Association at St. Louis, Mo., October 15, 16, and 17 of this year.

H. M. OLMSTED.

* * *

New Orleans Victimized by Political War.—A feud having all the earmarks of a civil war rages between the two powerful Louisiana political camps as former partners now battle for control of New Orleans, with Senator Huey P. Long, still controlling the state, seeking to override Mayor Walmsley.

Long's latest move is an enigma. After proclaiming partial martial law, he ordered the National Guard to seize the office of registrar of voters. The obvious question is, why should he place under arms a state office already in his control? Perhaps it was to prevent Walmsley from taking possession, as he did last year after Long had surreptitiously scratched from the rolls names of unfriendly voters preceding the city election. There is a

congressional primary next month, on which Long counts heavily.

If Long's plan was to intimidate city officials, it has been a failure. The administration changed the police from three to two shifts and armed five hundred raw recruits to ward off a rumored seizure of the city hall. Efforts of Long to replace the police commissioners and the city assessors with state appointees will be fought to the limit by Walmsley, who has already secured a court order demanding immediate demobilization of the National Guard in the city.

Behind the present situation is the fact that Mayor Walmsley is still smarting under the move of Long in ordering the legislature to pass bills which, first, released the convicted election commissioners who stole the 1932 election for Long; second, stopped the annual grant of $700,000 from the state gasoline tax for city streets; and third, moved the police from under the mayor to a new independent board. It is still too early to predict the winner of the feud, but it is a foregone conclusion that the citizens will lose whatever the outcome.

New Orleans Bureau of Municipal Research

HAROLD A. STONE

A CORRECTION

The Editor wishes to call attention to the fact that in the bonded debt compilation published in the June REVIEW Mr. Rightor's commentary erroneously reports Chicago as having a per capita debt of $215, the highest in census group I, whereas the table shows that this figure is the per capita debt for Philadelphia, while Chicago's per capita debt is only $113.57. In justice to Chicago, we are glad to call attention to this correction.

MISSOURI REORGANIZES

(Continued from Page 432)

meet the problem, the purchasing agent approves purchase orders for supplies held by the head of a department as "essential" to the conduct of said department, informs vendors of the revenue situation, and invites them to furnish the supplies with the understanding that the transaction does not become a legal "purchase" under the act until the revenue fund later shows an unencumbered cash balance sufficient to pay for such supplies. The attorney-general has held the above practice to be violative of the intent and purpose of the act but the purchasing agent has refused to be bound thereby.

Marked progress has been made by the state auditor's office in preparing uniform accounts and records for certain county offices. The accounts have been installed in approximately fifty of the 114 counties in the state and it is anticipated that the initial work of installation will be completed by January 1, 1935, despite the limited field force available for the work. Less progress is evident with respect to the development and installation of a uniform state accounting system. The quarterly report of expenditures mentioned above required some state agencies to keep accounts for the first time. A more detailed plan for reporting expenditures has been devised but awaits final approval. At present uniform accounting systems for various groups of state agencies, such as the educational and the penal institutions, are contemplated.

THE FUTURE IN MISSOURI

Considering the limitations imposed by inadequate appropriations, unworkable statutory provisions, and in some instances inexperienced personnel, a good beginning appears to have been made in the direction of an integrated state administrative system for Missouri. Further changes in structure should be effected. A "short ballot" amendment, which received considerable support in 1931 but which was not introduced in 1933, should be adopted. A permanent civil service, based upon the merit principle, is an essential prerequisite of a more efficient and economical state administration, but he would be optimistic indeed who would predict the early demise of the spoils system in the "show me" state.

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THE LEAGUE'S BUSINESS

You and Your Government.—The ninth series of You and Your Government broadcasts, entitled "Trends in Government," will go on the air October 2, continuing until January 29. These programs may be heard from 7:15 to 7:30 eastern standard time every Tuesday evening over a nation-wide network of the National Broadcasting Company. The first speaker, scheduled for October 2, is Dr. Charles A. Beard, whose subject will be "The Crisis in Local Government."

* * *

A Message from Abroad.—The League has just received the following interesting news item from its Secretary, now in Germany:

Paris, August 15.—One of the most interesting and perhaps historically significant international conferences that has taken place within recent years was a quiet little round table session that took place in the *Office des Habitations a Bon Marche* of the Department of the Seine, July 23 to 27, following the meeting of the International Union of Cities at Lyon, July 19 to 23.

With the international political and diplomatic situation in a turmoil, indeed, on the very day that Chancellor Dollfuss of Austria fell before an assassin's bullet, representatives of sixteen nations were planning the establishment of an international center for the exchange of information concerning problems and solutions in the field of public administration. Behind all the discussion lay the realization that, whatever the political policy of a government might be, in the last analysis government was concerned with services to human beings and those services must be provided without interruption.

To appreciate the atmosphere and the importance of the round table, it is almost necessary to picture the meeting of the International Union of Local Authorities which preceded it. Here, a casual observer could hardly have failed to have been impressed by two things: first, by the technical nature of the discussions which revolved about administrative problems of government; second, by the very apparent understanding that existed among those present. They were talking different languages yet they were talking the same language. Their problems and their interests were in many respects identical.

The United States was officially represented by delegates at the meeting of the International Union for the second time. These delegates, appointed by the department of state, included: Louis Brownlow, Director, Public Administration Clearing House; Charles E. Merriam, Professor of Political Science, University of Chicago; Paul V. Betters, Executive Director, American Municipal Association; Howard P. Jones, Secretary, National Municipal League; Meyer C. Ellenstein, Mayor of Newark, New Jersey; Morris B. Lambie, Executive Director, League of Minnesota Muncipalities; Frank C. Higginbotham, Executive Director, Oklahoma Municipal League; Harold D. Smith, Director, Michigan Municipal League; Walter Nelson, Jr., Director, League of Texas Municipalities; and Guy Moffett, Executive of the Spelman Fund.

There is hardly an important country in the world that does not have research agencies actively at work in the endeavor to solve some of the more vital and difficult problems of political science, many of which, perhaps most of which, come in the field of administration rather than politics. In the United States extensive research in both fields has been and is being carried on. But if the problems of public administration are common to all nations, why confine such research to the United States? Why not endeavor to discover whether a particular problem has been solved by some other country with a different culture and a different approach to the problem? Why not, in other words, establish a research agency which might serve as a telephone exchange between the various countries of the world?

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